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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

WILLIE L. BROWN, JR., MAYOR

NOTICE OF CANCELLED MEETING

TREASURE ISLAND DEVELOPMENT AUTHORITY

NOTICE IS HEREBY GIVEN that the regular meeting of the Treasure Island Development Authority scheduled for Wednesday, January 14, 2004 at 1:30 pm at 1 Dr. Carlton B. Goodlet Place, Room 400, City Hall, San Francisco, California, has been **Cancelled**.

Treasure Island Development Authority

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Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

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Treasure Island Development Authority
410 Palm Avenue, Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130

Ms. Susan Hom
Government Info Center
Main Library
100 Larkin St.
San Francisco CA 94102

The regular meetings of the Treasure Island Development Authority are held the 2nd Wednesday of each month at 1:30 p.m. in Hearing Room 400 in City Hall, 1 Dr. Carlton B. Goodlett Place. The next regular meeting is Wednesday, February 11, 2004.

A binder of supporting material is available for public viewing at the Mayor's Treasure Island Project office, 410 Palm Avenue, on Treasure Island and at the Government Informati ary, Civic Center.

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CITY & COUNTY OF SAN FRANCISCO

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GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA
February 11, 2004 1:30 P.M.

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Gavin Newsom, Mayor

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Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes of October 2, 2003, October 8, 2003, November 12, 2003, and December 10, 2003 *(Action Item)*
3. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
4. Communications (*Discussion Item*)
5. Ongoing Business by Directors (*Discussion Item*)

6. General Public Comment (*Discussion Item*) ******In addition to General Public Comment (Item #6), Public Comment will be held during each item on the agenda.******
7. Resolution Authorizing the Executive Director to Execute an Amendment to the Contract With Seifel Consulting Inc. to Extend the Term of the Contract for Consulting Services Related to the Establishment of a Redevelopment Project Area for Former Naval Station Treasure Island (*Action Item*)
8. Resolution Authorizing the Executive Director to Execute an Amendment to Extend the Term of the Contract with URS Corporation for the Preparation of an Environmental Impact Report for the Transfer of Former Naval Station Treasure Island Through June 30, 2004 (*Action Item*)
9. Resolution Authorizing the Executive Director to Extend the Use Permit with the San Francisco Museum and Historical Society for Use of Building 449 for an Additional One Year Term (*Action Item*)
10. Resolution Authorizing the Executive Director to Amend the Sublease with Treasure Island Enterprises to Exclude Property from the Premises (*Action Item*)
11. Resolution Authorizing the Executive Director to Amend the Sublease with the Treasure Island Sailing Center to Extend the Term of the Sublease and to Add Additional Property to the Premises (*Action Item*)
12. Presentation of a Study Prepared by Treasure Island Community Development for Wastewater and Recycled Water Treatment Alternatives (*Discussion Item*)
13. Resolution Authorizing the Executive Director to Execute a Memorandum of Understanding with East Bay Municipal Utility District (EBMUD) to Explore the Feasibility of EBMUD Providing Wastewater and Recycled Water Service to Treasure Island/Yerba Buena Island (*Action Item*)
14. Presentation of the Treasure Island Ferry Location Study Prepared by Treasure Island Community Development and Endorsement to Proceed with Land Use Planning in Context of Disposition and Development Agreement Negotiations with Treasure Island Community Development Based on a Future Ferry Terminal at the Pier One Site (*Action Item*)
15. Presentation of Further Revisions to Revised Conceptual Land Use Plan by Treasure Island Community Development to Address Issues Related to the Tidelands Trust. (*Discussion Item*)
16. Discussion of Future Agenda Items by Directors (*Discussion Item*)
17. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

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The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

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Arc Ecology

833 Market Street ♦ San Francisco, California 94103

***phone:* 415 495 1786 ♦ *fax:* 415 495 1787 ♦ *e-mail*: evebach@mindspring.com**

ENTERED FEB 2004 TREASURE ISLAND DEVELOPMENT AUTHORITY

February 4, 2004

TO: Chair and Members
Treasure Island Development Authority

FROM: Eve Bach
Staff Economist Planner

CC: Citizens Advisory Board

SUBJECT: FERRY LOCATION WILL DETERMINE THE TI LAND USE PLAN

Although a schedule conflict will prevent me from attending your February 11th meeting, I would like to share with you my strong reservations about the *Treasure Island Ferry Terminal Location Study* and decisions that may be based on it. The *Study* was prepared at the request of the Citizens Advisory Board (CAB) because of their interest in having the ferry terminal on the western side of Treasure Island.

The attached comments that I submitted to the CAB on January 15th explain why it appears that the actual purpose of the *Study* is to justify the location of the terminal at the southeastern corner of TI (the Pier One location) rather than to objectively compare it to a western location which would provide direct access to the rest of San Francisco. The CAB also voiced additional concerns that they felt the *Study* failed to address.

The *Study* is defective primarily because it (i) attributes advantages (such as lower capital costs) to the Pier One location without evidence, and (ii) fails to consider important disadvantages of the western location (such as higher operating costs, reduced ridership, and conflict with sail boarders and Marina boat traffic).

As you know, the Land Use Plan that TICD has proposed is based on the Pier One location - the only Land Use Plan submitted to the State Lands Commission for review and the basis for legislation enabling a Public Trust land trade. The text of the bill will largely consist of the precise boundaries of the trade, as determined by a survey. The survey and technical language of the bill are scheduled for completion in time for legislative hearings (potentially in March).

The location of the ferry terminal is pivotal in shaping the Redevelopment Land Use Plan. If the location of the terminal is moved to the western edge, public uses (e.g., hotels, cultural facilities, retail) would also need to be relocated in order to be easily accessible. In addition, sites for housing, internal circulation patterns, and parking would need to change if ferries dock at the western edge of the island.

In practical if not legal terms, the Public Trust trade legislation will lock in the TICD Land Use Plan prior to land use planning decisions by TIDA, the Planning Commission, and the Board of

Supervisors. Approval of legislation based on a Pier One location in the current session would severely compromise their ability to approve a Land Use Plan for Treasure Island based on a western ferry terminal, since changes would require new legislation.

To preserve your own ability to make an informed decision on the ferry terminal location, and to respect the roles of the Planning Commission and Board of Supervisors in land use planning, I strongly urge you to obtain

(i) an objective comparison of the two locations that addresses financial and programmatic costs and benefits over the life of terminal;
(ii) schematics of a Land Use Plan based on a western location for the ferry terminal; and
(iii) a schedule for a process that would enable the Planning Commission and the Board of Supervisors to actively participate in Treasure Island redevelopment land use planning.

Arc Ecology is available to assist in any way we can.

Arc Ecology

833 Market Street ♦ San Francisco, California 94103
***phone:* 415 495 1786 ♦ *fax:* 415 495 1787 ♦ *e-mail*: evebach@mindspring.com**

January 15, 2004

TO: Treasure Island Community Advisory Board
FROM: Eve Bach

SUBJECT: **Comments on Treasure Island Ferry Terminal Location Study**

The *Treasure Island Ferry Terminal Location Study* fails to provide an objective comparison of Pier One and the West Pier as potential sites for a Treasure Island Ferry terminal. The Study's assessment that Pier One site is preferable is based primarily on the conclusion that development costs will be lower there than at the West Pier site. However, the projected savings are based on assumptions that have not been verified, and problems associated with that site have been discounted. The document also does not compare the potential benefits of each site in encouraging ferry use by residents, workers, and visitors.

The purpose of the document appears to be to end any further consideration of the West Pier site. This conclusion would, of course, discourage any further questioning of the merits of the land use plan proposed by TICD that is driven by a ferry terminal at the Pier One site.

The conclusions of the study are not supported by its contents.

The Study's conclusion that "cumulative impact for the sites for ...[issues that were considered]... revealed a significantly higher number of adverse impacts at the West Shore site than at Pier One"[1] is unsound for at least the following reasons:

(i) Conspicuously missing from the list of issues considered by the study ("dredging, wind and wave exposure, protective structures for the ferry terminal berths, biology considerations, filling of bay waters, ferry route durations, and development costs") is a comparison of the operating costs associated with both locations, as well as their programmatic effectiveness. The unasked question is whether the more remote location of Pier One would result in a lower rate of use because of potentially higher fares, longer headways, and the perception of an indirect route.

(ii) The study does not provide information that validates the *a priori*, but decisive assumption that reuse of Pier One would save $1.5 million. [2] An analysis is also missing that would support the implausible assumption that foundations designed two decades ago could support a passenger terminal that complies with current seismic standards.

(iii) Even if the assumed savings of $1.5 million could be achieved by retrofitting the existing Pier One, the study does not provide information about the total cost of the project to contextualize this number. It makes a difference if the savings are a tiny

[1] Page 29 – The paragraph presenting this conclusion erroneously states that the matrix comparing the two sites includes "a color-coded rating system to illustrate the relative importance of each finding. An index is provided to define the type and importance of the relative impact depicted by each rating and color." The absence of color makes it virtually impossible to determine the author's views of the relative importance of the factors they have considered.

[2] Page 23

fraction of a percent of total development costs, especially if such savings are ultimately cancelled out by the Pier One's higher operating costs.

(iv) Since reuse of Pier One facilities may not be feasible, the study needs to compare the costs of environmentally acceptable demolition of the two existing piers – which would be much more expensive for Pier One..

(v) In comparing wave impacts on the piers, the study looks only at waves generated by wind, and ignores boat wake, the other significant source of wave action against the piers that the study identifies. Since Pier One is located adjacent to the planned 400-500 slip Clipper Cover Marina, this omission biases the study against the West Pier site.

(vi) The study trivializes Pier One location's high risk of collisions between ferries and marina boat traffic and wind surfers. The mitigation proposed by the study – to add a crew member to stand watch – would not be effective despite its high cost.

(vii) The conclusion that the Pier One site provides more convenient access to commercial land uses is based on the assumption that the site plan would remain the same even if the ferry terminal were moved. Since the proposed land use plan is driven by the Pier One ferry location, it should be assumed that the plan would need to change if the West Ferry site becomes the preferred location.

(viii) Consideration of a site on the western edge of Treasure Island should not be limited to West Pier location since this facility will be demolished.

The study ignores the higher operating costs of the Pier One site.

The substantially greater distance to the Pier One site will result in a correspondingly higher cost per trip than for the West Pier site. The additional expenses would include additional labor, fuel and lubricating oil, wear and tear on the engine and other operating systems, additional maintenance and dry-docking, and the possible need for an additional ferry. The cost per trip will be a critical factor determining headways and fares, which in turn will control passenger utilization rates.

The study does not justify the conclusion that it will be less costly to develop a ferry terminal at the Pier One site because the existing facility can be reused.

The conclusion that Pier One is the better site relies heavily on the assumption that the existing pier is "assumed to be adequate to accommodate ferry terminal development."[3], so that incorporating the old pier into the construction of a new mooring system and passenger facilities, would produce create significant (C++) savings.[4] However, the statement that Pier One "appeared to be in good condition" [5]is not based on physical examination of the pier, nor a review of maintenance records over the 20 years since the Navy built it, nor an analysis of current structural standards for passenger facilities in a seismically active area. The assumption that Pier One can be reused is based solely on the observation that the pier is in current use for storage and sailboat launching

Furthermore, although the study estimates the savings($1.5 million) would be achieved if the current Pier One were reused, it does not explain why the authors consider this potential economy to be so significant. These savings, to the extent that they are real, need to be set in the context of the project's total capital costs and the high operating costs (that the study overlooks) associated with the longer Pier One ferry route.

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[3] page 23
[4] Figure 17, page 30
[5] Page 3

The discussion of the passenger staging areas and landside facilities has the same flaws.[6] The suggestion that the existing foundation would meet current codes for a public building is disingenuous.

In the Alternative Site Matrix,[7] the study concludes that development costs would be significantly greater even though the matrix itself equivocates whether the existing facilities have any reuse value.

The study should assume that Pier One has significant reuse value only if it can document that there would be substantial savings from reuse. If savings from retrofitting the existing Pier One cannot be demonstrated, the study should instead compare the costs (financial and environmental) of demolishing Pier One and the West Pier.

Assumptions about the number of ferries are inconsistent.

On page 5, the study assumes ferry services would involve "up to 3 ferry vessels;" On page 29, the study bases its conclusion that the longer distance to Pier One will not cause a reduction in service so long as two vessels will be used. This raises the question whether the West Pier site would allow service by a single ferry.

Issues presented by the sand bar near Pier One have not been adequately explored.

The study claims that the sand bar [8] will have no impact on the ferries using Pier One because it is not in their direct path, but goes on to say that the Ferry Service would be one of several parties involved in maintenance dredging. At the very least, the study needs to analyze whether the sand bar will cause vessels entering and leaving Clipper Cove to travel closer to the Ferry landing (thereby increasing the probability of collisions with ferries) as marina traffic seeks the deeper channels. (See our comments on the overall inadequacy of the study's discussion of the potential for collisions at the Pier One site.)

The comparison matrix [9] hints that maintenance dredging costs will be lower for the West Pier, even though it avoids identifying participation in sand bar maintenance dredging as an example of an increased cost for Pier One.

The discussion of wind and wave impacts ignores the wave impacts on the ferry structure of marina vessels.

Although the study acknowledges that "wind-waves and ***boat wake*** are the ***primary*** contributors to wave action at the two sites," it completely disregards the probable impacts of vessels traveling to and from the adjacent 400-500 slip marina in its analysis of wave effects. The study's rationale for omitting this discussion (which would not favor Pier One) is that the impacts are difficult to quantify. This explanation is unpersuasive since much of the analysis in this study is non-quantitative. It is not legitimate to ignore a primary impact because it is more difficult to measure.

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[6] page 23
[7] Figure 17, page 30
[8] Page 6
[9] Figure 17, page 30

The significance of the difference of wind generated wave heights is not analyzed.

After demonstrating that there is virtually no difference in currents at the two locations, the study examines wave action (those generated by wind) because of their potential impact on the ferry piers and other structures.[10] The study expends considerable effort to quantify that wave action at the West Pier site is greater than at the Pier One site, but does not quantify the impact of this difference on the structures, analyze what level of wave action ordinarily would necessitate construction of a breakwater, or explain when a floating breakwater would be sufficient. The comparison matrix[11] suggests that a breakwater could be needed for both sites.

The study trivializes the risk of collisions between ferries and recreational craft (boats and wind-surfers) associated with the Pier One site.

The study first states that "an increase in vessel traffic does not correlate with increased navigational incidents in harbors around the country."[12] Additional explanation of this counter-intuitive statement is needed. Does this statement mean that harbors with more vessels do not have more incidents than harbors with fewer vessels, other factors being equal? If the cited EIR disputes that risk of collision increases as vessel-miles increase, this startling conclusion should be explained in detail.

An even more surprising assumption that there is no significantly greater risk of collision with wind surfers as ferries bound for Pier One make their way around the northern edge of TI and pass close to the area that wind-surfers have identified as an ideal launching area. The observation that there have been no collisions elsewhere between ferries and wind surfers is relevant only to the extent that the proximity of ferries to wind surfers is comparable.

The greater risk involves potential collisions between ferries and Clipper Cover boat traffic. The marina is planned to expand to accommodate 400-500 boats. As they try to avoid the sand bar, they are likely to use the channel that is adjacent to Pier One. The study trivializes the risk.

The measure proposed to reduce the risk of collisions with both wind surfers and marina traffic is to add a crew member to stand watch. It is not clear what this crew member should do when a collision is imminent, but it is obvious that adding a crew member for this purpose will add substantially to operating costs for the Pier One location – a cost not mentioned in the text or accounted for in the matrix.

The study minimizes savings in passengers' travel time of West Pier site.

The study emphasizes *total turn-around time for the ferries*, rather than *travel time for passengers*, which understates one of the main advantages of the West Pier location. The calculation of ferry turn-around time is inflated because the study assumes passenger loading and unloading times for ferries carrying their maximum rather than average passenger load, even though the DEIR for TI indicates that no Bay Area ferries come anywhere near this goal.

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[10] page 8
[11] Figure 17, page 30
[12] page 17

There is no discussion of the programmatic advantages of a short ferry trip to the West Pier site.

From the perspective of encouraging ferry travel and strengthening the perception that TI is an integral part of SF, there are many advantages to a ferry route that is visually direct. In addition to the actually longer travel time required to circumnavigate TI to dock at the Pier One site, the circuitous trip will be *perceived* as longer.

There is no discussion of the high operating costs associated with the longer route.

In addition to the additional expense per trip, the longer travel time would potentially require a system that operates two ferries from the Pier One site where one might suffice from the West Pier site. If the longer trip reduces passengers, the cost per passenger mile would also be reduced at the Pier One site.

The Study's omission of the differential in operating costs is inconsistent with its concern for the comparatively small difference in operating cost for removal of debris and more frequent replacement of rub strips[13] at the West Pier site.

The discussion of convenience to users assumes that the site plan would not change if the ferry landing were moved to the West Pier site.

Since the client for the study is TICD, it is understandable that the consultants would assume their site plan is a given. That should not be the case for CAB, the TIDA, TIDA staff, Planning Commission, Board of Supervisors, and the public. The proposed site plan is driven by a ferry landing at the Pier One site; the study should at least acknowledge that a different site for the ferry landing would necessitate changes to the site plan.

CONCLUSIONS

The study requires substantial revisions if it is to provide the CAB, the TIDA, and the public with a comparison of the Pier One and the West Pier sites that is not skewed in favor of the Pier One site. The study should begin by identifying the goals that ferry service is expected to provide so that both the benefits and the costs of the two locations can be compared.

In addition, the study should point out that an alternative location to the Pier One site does not have to be the site of the existing West Pier since the existing facility appears to have no reuse value. The study should identify a site that would meet programmatic and cost efficiency (operating as well as capital) objectives.

[13] page 24

Neptune Company

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December 22, 2003

DEC 2003

Ms. Annemarie Conroy
Executive Director
Treasure Island Development Authority
410 Palm Avenue, Building 1, 2nd Floor
San Francisco, CA 94130

RE: Request for Public Information

Dear Ms. Conroy:

Under the California Records Act (Govt. Code 6250-6270), we are requesting the names and addresses of any individuals, companies or organizations that are receiving tax increment revenue, or any form of reimbursement payment or other public assistance revenues (excluding individuals who are receiving low- and moderate-income subsidies related to their personal residence) from Treasure Island Development Authority or any of its agencies or departments.

Neptune Company purchases future payment revenues, such as tax increment participations, primarily from real estate developers. Our interest in obtaining this information is limited to offering our services to entities that have future payment revenues from the Treasure Island Development Authority or any of its agencies or departments.

To transmit the information via mail, please send to:

Megan McRae
Neptune Company
P O Box 27170
Scottsdale, AZ 85255

Information could also be sent via email to megan@neptunecompany.com or via fax to (480) 922-1001.

If you have any questions or need additional information, please call me at (800) 794-7400. Thank you in advance for your assistance.

Best Regards,

Megan McRae
Neptune Company

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RECOMMENDATION

Staff recommends approval of contract extension through June 30, 2004.

FILE NO. _____ RESOLUTION NO. _____

[Contract Amendment with Seifel Consulting to Extend Term]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH SEIFEL CONSULTING INC. TO EXTEND THE TERM OF THE CONTRACT FOR CONSULTING SERVICES RELATED TO THE ESTABLISHMENT OF A REDEVELOPMENT PROJECT AREA FOR FORMER NAVAL STATION TREASURE ISLAND THROUGH JUNE 30, 2004.

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code, and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust,

vested in the Authority the power to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Authority issued a Request for Proposals ("RFP") for consultant services to assist the Authority in the preparation of an Economic Development Conveyance (EDC) Application and the creation and adoption of a redevelopment plan for former naval station Treasure Island on July 15, 1998; and

WHEREAS, Seifel Consulting Inc. responded to the RFP as a member of the Sedway Group team to provide redevelopment consulting services; and,

WHEREAS, The Authority authorized the executive director to execute a contract with the Sedway team because Sedway was the highest ranked respondent to the RFP; and

WHEREAS, The EDC application has been completed as specified in the contract, but the scope of work to complete the Redevelopment Plan was delayed due to delays in the Navy's environmental review process; and,

WHEREAS, The Authority authorized the executive director to execute a contract to complete the redevelopment planning process for an amount not-to-exceed $129,600 with Seifel Consulting on August 14, 2002; and

WHEREAS, there is a need to coordinate the redevelopment planning process with Primary Developer land planning process which is currently underway; and

WHEREAS, the contract with Seifel Associates expired on December 31, 2003 and the Authority wishes to extend the contract to June 30, 2004 to continue the redevelopment planning process; now therefore be it

FILE NO. _____ RESOLUTION NO. _____

RESOLVED, That the Authority hereby authorizes the executive director to amend the contract with Seifel Consulting to extend the term of the contract to June 30, 2004, to enable Seifel Consulting to complete its work assisting the Authority in the creation and adoption of a redevelopment plan for former naval station Treasure Island.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2004.

_____

William Fazande, Secretary

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TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO

FIRST AMENDMENT

THIS FIRST AMENDMENT (this "Amendment") is made as of January 1, 2004, in San Francisco, California, by and between Seifel Consulting, Inc. ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) **Agreement**. The term "Agreement" shall mean the Agreement dated July 1, 2002 between Contractor and Authority.

(b) **Other Terms**. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2 Term of the Agreement currently reads as follows:

> 2. Term of the Agreement
>
> Subject to Section 1, the term of this Agreement shall be from July 1, 2002 through December 31, 2003.

Such section is hereby amended in its entirety to read as follows:

> 2. Term of the Agreement
>
> Subject to Section 1, the term of this Agreement shall be from July 1, 2002 through June 30, 2004.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

AUTHORITY AND/OR CITY

Recommended by:

_____

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the Authority and/or City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____

Elizabeth Seifel, President
Seifel Consulting Inc.
1388 Sutter Street Suite 520
San Francisco CA 94109-5452
FEIN: 94-3225313

Notes

TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Subject: Extend term of contract with URS Corporation to June 30, 2004

Agenda Item No. 8
Meeting of February 11, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud
Jack Sylvan
274-0660

DISCUSSION

The conveyance and redevelopment of the former Naval Station Treasure Island requires environmental review under the National Environmental Protection Act (NEPA) resulting in an Environmental Impact Statement (EIS) and review under the California Environmental Quality Act (CEQA) resulting in an Environmental Impact Report (EIR). Originally, the Authority worked with the City's Planning Department staff and the U.S. Navy to produce a joint EIR/EIS for the disposal and reuse of the Base. However, when the Authority expressed concerns to the Navy about the adequacy of the joint document as it related to CEQA, the Navy was unwilling to make changes to the joint document necessary for CEQA compliance. Therefore, the Authority, on June 14, 2000, determined it was in the Authority's best interest to complete a programmatic EIR independent of the Navy and authorized the issuance of a Request for Proposals (RFP) for environmental consulting services related to the preparation of a programmatic EIR. On March 14, 2001, the Authority determined that URS was the superior respondent to the RFP and authorized the executive director to execute a contract with URS to complete the programmatic EIR for the Base for an amount not to exceed $300,000. On July 16, 2003, the contract was amended to extend the term through December 31, 2003 and increase the total amount payable under the contract to $381,796. The proposed resolution would extend the term of the contract to June 30, 2004 to allow URS to complete the EIR process.

RECOMMENDATION

Staff recommend approval of the contract extension through June 30, 2004.

FILE NO. _____ RESOLUTION NO. _____

[Contract Amendment with URS to Extend Term]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO EXTEND THE TERM OF THE CONTRACT WITH URS CORPORATION FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE TRANSFER OF FORMER NAVAL STATION TREASURE ISLAND THROUGH JUNE 30, 2004.

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code, and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust,

vested in the Authority the power to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The conveyance and redevelopment of the Base requires environmental review under the National Environmental Protection Act (NEPA) resulting in an Environmental Impact Statement (EIS) and review under the California Environmental Quality Act (CEQA) resulting in an Environmental Impact Report (EIR);and

WHEREAS, The Authority worked with the City's Planning Department staff and the U.S. Navy to produce a joint EIR/EIS for the disposal and reuse of the Base; and

WHEREAS, The Authority expressed concerns to the Navy about the adequacy of the joint document as it relates to CEQA but the Navy was unwilling to make changes to the joint document necessary for CEQA compliance; and

WHEREAS, The Authority, on June 14, 2000, determined that it was in the Authority's best interest to complete a programmatic EIR independent of the Navy and authorized the issuance of a Request for Proposals (RFP) for environmental consulting services related to the preparation of a programmatic EIR; and

WHEREAS, the Authority, on March 14, 2001, determined that URS was the superior respondent to the RFP and authorized the executive director to execute a contract with URS to complete the programmatic EIR for the Base; and

WHEREAS, on July 16, 2003, the Authority executed an amendment to the contract to extend the term to December 31, 2003; and

WHEREAS, the Authority wishes to extend the term of the contract to June 30, 2004, to allow URS to complete the EIR process; now therefore be it

FILE NO. _____ RESOLUTION NO. _____

RESOLVED, That the Authority hereby authorizes the executive director to amend the contract with URS Corporation to extend the term of the contract to June 30, 2004, to enable URS to complete its work assisting the Authority in the completion of a programmatic EIR for former naval station Treasure Island.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2004.

_____

Bill Fazande, Secretary

80000 SERIES
RECYCLED 30% P C W

TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO

THIRD AMENDMENT

THIS THIRD AMENDMENT (this "Amendment") is made as of January 1, 2004, in San Francisco, California, by and between URS Corporation, a Nevada corporation dba URS Corporation Americas, ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) **Agreement**. The term "Agreement" shall mean the Agreement dated March 1, 2001 between Contractor and Authority, as amended by a First Amendment dated July 1, 2002, and a Second Amendment dated April 1, 2003.

(b) **Other Terms**. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) **Section2.** Section 2 Term of the Agreement of the Agreement currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2001 to December 31, 2003.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from April 1, 2001 to June 30, 2004.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

_____
Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____
Denise Heick, Vice President
URS Corporation
221 Main Street Suite 600
San Francisco CA 94105-1917
(415) 896-5858
FEIN: 94-1716908
Vendor No: 19103

Notes

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPEMNT AUTHORITY
City and County of San Francisco

Agenda Item No. 9 **February 11, 2004**

Subject: Resolution authorizing the Authority to extend a Use Permit with the San Francisco Museum and Historical Society for use of a portion of Building 449

Staff Contact: Peter Summerville, 274-0300

SUMMARY OF PROPOSED ACTION

Staff requests the Authority to adopt a resolution to extend for a one year period the Use Permit with the San Francisco Museum and Historical Society (SFMHS) for the use of a portion of Building 449 on the same terms as the original Use Permit dated July 16, 2003.

DISCUSSION

The Use Permit allows for use of a portion of Building 449 by the San Francisco Museum and Historical Society for storage of items and artifacts as well as basic inventory and cataloging activities that may arise. The portion of Building 449 used by the SFMHS is licensed to TIDA by the United States Navy. The Navy retains full use of the rest of Building 449, and there is a secure separation between SFMHS items and Navy items in the building.

Prior to the start of the Use Permit, SFMHS kept items stored in Building 449 through an informal arrangement with the United States Navy. At the request of the Navy, half of Building 449 was licensed to TIDA in order to allow TIDA to grant SFMHS a Use Permit. The purpose of this was in order to provide secure separation between SFMHS items and Navy items in the building. The Use Permit is on a no-cost basis.

RECOMMENDATION

Staff recommends approving the resolution and granting a one year extension to the Use Permit with SFMHS, retroactive to January 14, 2004 for use of a portion of Building 449.

FILE NO. _____ RESOLUTION NO. _____

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE USE PERMIT WITH THE SAN FRANCISCO MUSEUM AND HISTORICAL SOCIETY FOR USE OF A PORTION OF BUILDING 449 FOR AN ADDITIONAL ONE YEAR TERM

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, the Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses

of Tidelands Trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and

WHEREAS, According to the Sections 10 and 12 of the Authority's Rules and Procedures for Transfer of Real Property, adopted March 11, 1998, the Executive Director may enter into month-to-month or shorter term leases, licenses or subleases for a cumulative term of no more than six months without competitive bidding or the separate approval of the Authority; and

WHEREAS, On July 16, 2003, the Executive Director entered into a month-to-month Use Permit with the San Francisco Museum and Historical Society (SFMHS) for use of a portion of Building 449 and

WHEREAS, the term of the month-to-month sublease is now in excess of six months; and the San Francisco Museum and Historical Society wishes to extend the Use Permit for a portion of Building 449 until January 14, 2005 for storage and inventory purposes; now therefore be it

RESOLVED, That the Authority hereby authorizes the Executive Director to Extend the Use Permit with the San Francisco Museum and Historical Society for Use of Building 449 for an Additional One Year Term set to expire January 14, 2005.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the Properly noticed meeting on February 11, 2004.

_____

William Fazande, Secretary

RECYCLED ♻ 80000 SERIES
30% P C W.

USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference purposes only as of July 16, 2003 is made by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority") and the SAN FRANCISCO MUSEUM AND HISTORICAL SOCIETY ("Permittee").

RECITALS

WHEREAS, pursuant to that certain License for Nonfederal Use of Real Property, dated September 4, 1998 (the "Master License"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use those portions of BUILDING 449 as located on Naval Station Treasure Island more particularly shown on Exhibit B hereto (the "Premises"); and

WHEREAS, Permittee seeks to use the parking area of the Premises for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. **License**. Authority confers to Permittee a, personal, non-exclusive and non-possessory privilege to enter upon and use the Premises all as depicted in Exhibit B, attached (hereafter collectively referred to as, the "License Area"), for the limited purpose and subject to the terms, conditions and restrictions set forth below. The privilege given to Permittee under this Permit is effective only insofar as the rights of Authority in the License Area are concerned, and Permittee shall obtain any further permission necessary because of any other existing rights affecting the License Area, or any portion thereof.

In recognition of the non-exclusive nature of this Permit, Permittee acknowledges and agrees that if Authority needs access to the License Area for a specific purpose or otherwise, Permittee shall temporarily relocate any vessel berthed at the License Area to accommodate such use by the Authority upon reasonable advance notice. Permittee further agrees that in the event of any emergency, Authority and its agents and employees shall be authorized to move any vessel berthed at the License Area, without liability to Authority or its agents or employees for damages or loss of any kind, except for any damage or loss occurring as a result of the willful misconduct of Authority or its agents or employees.

2. **Inspection of License Area**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them, ("Permittee's Agents") of the License Area and the suitability of the License Area for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the License Area is suitable for its operations and intended uses.

3. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the License Area is being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises (including the License Area), or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws") governing the use, occupancy, management, operation and possession of the Premises (including the License Area). Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises (including the License Area), or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors , and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises (including the License Area), (ii) the physical, geological, seismological or environmental condition of the Premises (including the License Area), (iii) the existence of, quality, nature or adequacy of any utilities or maritime services serving the Premises (including the License Area), (iv) the feasibility, cost or legality of constructing any Alterations on the Premises (including the License Area) if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises (including the License Area and any floats, walkways, docks, slips or equipment in the License Area), whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or Permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises (including the License Area) or their use, including, without limitation, any implied warranties of MERCHANTABILITY or FITNESS FOR A PARTICULAR PURPOSE.

4. **Seismic Report.** Without limiting Section 3 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco, (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Premises where the License Area is located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises (including the License Area) to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises (including the License Area) may fail structurally and collapse.

5. **Use of License Area**. Permittee may enter and use the Licensed Area as temporary storage area for the sole purpose of storage and indexing of historical items and artifacts relating to the history of the City and County of San Francisco.

(a) **Maintenance and Repairs.** Permittee shall at all times during the term of this Permit and at its sole cost and expense, maintain and repair in good and working order, condition

and repair the License Area and all improvements and alterations thereon, including without limitation, and Permitted Improvements (as defined below). Authority shall not be obligated to make any repairs, replacement or renewals of any kind, nature or description whatsoever to the License Area nor to any improvements or alterations now or hereafter located thereon. In the event the Permittee, its Agents or Invitees cause any damage (excepting ordinary wear and tear) to the License Area, Authority may repair the same at Permittee's expense and Permittee shall immediately reimburse Authority therefore.

(b) **Liens**. Permittee shall keep the License Area free from any liens arising out of any work performed, materials furnished or obligations incurred by Permittee or its Agents. In the event that Permittee shall not, within twenty (20) days following the imposition of any such lien, cause the same to be released of record, Authority shall have, in addition to all other remedies provided by this Permit or by Law, the right but not the obligation to cause the same to be released by such means as it shall deem proper, including without limitation, payment of the claim giving rise to such lien. All sums paid by Authority for such purpose and all reasonable expenses incurred by Authority in connection therewith shall be payable to Authority by Permittee within thirty (30) days following written demand by Authority.

6. **Restrictions on Use**. Permittee agrees that, by way of example only and without limitation, the following uses of the License Area by Permittee, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of its Agents or Invitees (as such terms are defined below) to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the License Area, or transported to or from the License Area without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the License Area. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or its Agents or Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the License Area to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the License Area or are naturally occurring substances in the License Area, and any petroleum, including, without limitation, crude oil or any fraction thereof,

natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the License Area.

(b) Nuisances. Permittee shall not conduct any activities on or about the License Area that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) Damage. Permittee shall not do anything about the License Area that could cause damage to the License Area or any Authority property. Authority hereby acknowledges that construction of the Permitted Improvements (as defined below) shall not constitute "damage" to the License Area under this Section 6(c).

(d) Parking. Permittee shall be allowed to park vehicles in the area designated for parking on Exhibit B. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, or the use of shuttle busses or other pooled-means of transportation to and from the License Area.

(e) **Utilities and Services.**

(i) Utilities. Authority shall provide hookups for electricity and water for use by Permittee on or in the License Area. Permittee shall pay all charges for the use of said electricity and water.

(ii) Services. Permittee shall make arrangements and shall pay all charges for all services to be furnished on, in or to the License Area or to be used by Permittee, including without limitation, garbage and trash collection, janitorial service and extermination service (if any).

7. **Alterations and Improvements**. Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures or improvements in, on, under or about the License Area, nor shall Permittee make any alterations or additions to any of existing structures or improvements on the License Area, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion.

8. **Permit Fees**. Throughout the Term of this Permit as set forth in Section 9 below, Permittee is not obligated to any fee, unless Permittee requests to extend the term beyond the terms as set forth in Section 9 below. The facilities are used without fee as a result of the Permittee's need for interim storage space for these items, which are part of a historical collection which is displayed free of charge to the public in San Francisco.

9. **Term of Permit**. The privilege conferred to Permittee pursuant to this Permit will begin on July 14, 2003 and end on January 14, 2004 unless extended by a resolution of the TIDA Board. Moreover, if the Master License terminates for any reason whatsoever, this Permit shall automatically terminate.

10. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the License Area (including without limitation, the reconstruction of the surface area of Pier 11 and the installation of any other Permitted Improvements) allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the License Area any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the License Area and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, City or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the License Area, Permittee shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the Permitted Improvements.

11. **Surrender**. Upon the expiration of this Permit, Permittee shall surrender the License Area in the same condition as received, free from hazards and clear of all debris, except as otherwise provided herein. At such time, Permittee shall remove all of its property from the License Area, and shall repair, at its cost, any damage to the License Area caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

12. **Security**. Should the Permittee determine that security is needed, Permittee shall arrange for the provision of additional security for the License Area, on terms and conditions reasonably satisfactory to Authority.

13. **Release and Waiver of Claims; Indemnification**

13.1 **Release and Waiver of Claims**. Permittee, on behalf of itself and Permittee Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the License Area, during the term hereof, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings or other improvements thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the negligence or willful misconduct of the Authority (except as provided in Section 13.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether

direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the License Area, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 13.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

13.2 Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

13.3 **Permittee's Indemnity**. Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ('Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the License Area due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees, (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the License Area during the term hereof (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the License Area or any Alterations; (e) the condition of the License Area, (f) any construction or other work undertaken by Permittee on or about the License Area whether before

or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the License Area during the term hereof or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the negligence or intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 13.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the License Area to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 13.3, Permittee shall have no obligation to repair, restore or reconstruct the License Area (or to pay for the same) in the event the License Area is damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

14. INSURANCE

14.1 Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a). Permittee shall at all times, at its cost, also maintain insurance for the mutual benefit of Authority and Permittee against:

(i) Claims for personal injury under a policy of commercial general liability insurance with limits not less than $10,000,000 each occurrence Combined Single Limit for Bodily Injury and property Damage, including coverages for Contractual Liability, personal Injury, Liquor Liability, Products and Completed Operations , covering, including without limitation, claims for bodily injury , property damage or employer's liability occurring in or upon the License Area arising from earthquakes or subsidence. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(ii) Worker's compensation insurance with employer's liability insurance covering all persons employed and with respect to whom death or bodily injury claims could be asserted against Authority, Permittee, the License Area or any other Authority property, in an amount not less than $1,000,000 each accident.

(iii) Automobile liability insurance with limits not less than $1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Permittee uses automobiles in connection with its use of the License Area. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

(iv) Protection and Indemnity insurance, with limits not less than $1,000,000 each occurrence, including coverage for injury or damage to other parties or their property, arising from the operation of any Vessels under this Permit, and including coverage for illness, injury or death of the master or members of the crew, with any deductible not to exceed $10,000 each occurrence.

(v) Water Pollution Liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence and any deductible not to exceed $5,000 each occurrence.

(vi) Coverage for Jones Act benefits and U.S. Longshore and Harbor Workers' Act benefits, each in form and amount acceptable to Authority.

14.2 **General Requirements**. All insurance provided for under this Permit shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Authority.

(a) Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of one (1) year beyond the expiration or termination of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Permit, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Permittee as the insured and the Authority as an additional insured.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

14.3 **Proof of Insurance**. Permittee shall deliver to Authority certificates of insurance in form and with insurers satisfactory to Authority, evidencing the coverages required hereunder, on or before the commencement date of this Permit, together with complete copies of the policies promptly upon Authority's request As to the insurance required pursuant to Section 14.1(a)(1) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Permittee's indemnity obligations under Section 13.3 above. In the event Permittee shall fail to procure such insurance, or to deliver such policies or certificates, Authority may, at its option, procure the same for the account of Permittee, and the cost thereof shall be paid to Authority within five (5) days after delivery to Permittee of bills therefore.

14.4 **No Limitation on Indemnities**. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

14.5 **Lapse of Insurance**. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

14.6 **Permittee's Personal Property**. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

14.7 **Waiver of Subrogation**. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, Authority and Permittee each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the License Area and their contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the License Area, or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the License Area carried by Permittee does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Permittee shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against Authority or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

15. **No Assignment**. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances. Any attempt to assign this Permit shall be void.

16. **Parties and their Agents and Invitees; Approvals.** As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers and contractors of such party. The term "Invitees" when used with respect to either party shall mean any person entering the Premises or the License Area with Permittee's express or implied permission. All approvals, consents or other determinations permitted or required by Authority hereunder shall be made by or through the Authority's Executive Director or her authorized designee.

17. **MacBride Principles - Northern Ireland**. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco

Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

18. **Non-Discrimination**. Permittee shall not, in the operation and use of the License Area, discriminate against any person or group of persons solely because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, disability or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC). The provisions of Chapters 12B and 12C of the San Francisco Administrative Code, relating to nondiscrimination by parties contracting with the City and County of San Francisco, are incorporated herein by reference and made a part hereof as though fully set forth herein. Permittee agrees to comply with all of the provisions of such Chapters 12B and 12C that apply to parties contracting with the City and County of San Francisco.

19. **Tropical Hardwoods and Virgin Redwood**. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood or virgin redwood wood product.

20. **No Tobacco Advertising**. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

21. **Maritime Liens**. By execution of this Permit, Permittee acknowledges and agrees that pursuant to Harbors and Navigation Code Sections 491, 501, the Federal Maritime Lien Act (46 U.S.C. Sections 971-975) and by the terms of this Permit, Authority shall have a lien on any and all vessels berthed at the License Area for money which may become due under this Permit. As provided in the foregoing statutes, Authority shall have the right to take possession and control of any such vessel and remove and store the vessel for the purpose of perfecting and executing upon Authority's lien rights in the vessel.

22. **General Provisions**. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law and City's Charter. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person

then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit.

PERMITTEE:

By: _____
Name: Jim Lazarus, Executive Director
Its: San Francisco Museum and Historical Society

AUTHORITY:
TREASURE ISLAND DEVELOPMENT AUTHORITY

_____
Executive Director

APPROVED AS TO FORM:

Dennis Herrera
City Attorney

By _____
Deputy City Attorney

EXHIBIT A

MASTER LICENSE

LICENSE FOR NONFEDERAL USE OF REAL PROPERTY NAVFAC 11011/29 (6-75) (Supersedes NavDocks 2260)	LICENSE NUMBER
THIS LICENSE TO USE U.S. GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND THE GENERAL PROVISIONS ON THE REVERSE SIDE HEREOF AND ANY SPECIAL CONDITIONS ATTACHED HERETO. BY THE EXECUTION HEREOF THE LICENSEE AGREES TO COMPLY WITH ALL SUCH TERMS, CONDITIONS AND GENERAL AND/OR SPECIAL PROVISIONS.	

1. NAVAL ACTIVITY (Property Location) FORMER Naval Station Treasure Island, San Francisco, California	2. DATES COVERED (Inclusive) FROM 15 July 2003 TO 14 January 2004

3. DESCRIPTION OF PROPERTY

Use of the eastern 2/3 portions of Building 449 as shown on Exhibit "A", attached hereto and made a part hereof.

4. PURPOSE OF LICENSE

For sublicense to the San Francisco City for the storage of museum artifacts, display cases and associated collection materials.

5. LICENSOR UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY	5a. LOCAL REPRESENTATIVE (Name and address) Ms. Amy Jo Wileman BRAC Program Office Southwest Division, Naval Facilities Engineering Command 1220 Pacific Highway San Diego, CA 92132-5179/ Telephone 619- 532-0918
6. LICENSEE (Name and address) Treasure Island Development Authority 410 Palm Avenue, Bldg 1 Room 230 San Francisco, CA 94132	6a. LOCAL REPRESENTATIVE (Name and address) Jack Sylvan (415) 274-0665 Address same as item 6

7. CASH PAYMENT BY LICENSEE (Payable in advance)
(If no cash payment is required, enter "None" under item 7a "Amount")

a. AMOUNT (Each Payment)	b. FREQUENCY PAYMENT DUE	c. FIRST DUE DATE	d. To
NONE	N/A	N/A	N/A

11. DEPOSIT FOR UTILITIES AND SERVICES (Payable in advance)
(If no cash payment is required enter "None" under item 8a "Amount")

a. AMOUNT	b. FREQUENCY PAYMENT DUE	c. FIRST DUE DATE	d. TO:
None.			

11. INSURANCE REQUIRED AT EXPENSE OF LICENSEE
(If any or all insurance requirements have been waived, enter "None" in a,b,c, or d as appropriate)

TYPE	MINIMUM AMOUNT	TYPE	MINIMUM AMOUNT
a. FIRE AND EXTENDED COVERAGE	$1,000,000.00	11. THIRD PARTY PERSONAL INJURY PER PERSON	$1,000,000.00
b. THIRD PARTY PROPERTY DAMAGE	$1,000,000.00	1. THIRD PARTY PERSONAL INJURY PER ACCIDENT	$3,000,000.00

10. GENERAL PROVISIONS: Attached hereto and made a part hereof. In the event of conflict with the General Provisions of the License, the Special Provisions shall prevail and override the General Provisions.
11. SPECIAL PROVISIONS: Attached hereto and made a part hereof.

FOR	NAME, POSITION, AND TITLE	SIGNATURE	DATE
DEPARTMENT OF THE NAVY	AMY JO WILEMAN Real Estate Contracting Officer		
LICENSEE	ANNEMARIE CONROY Executive Director, TIDA		7-15-05

Nonfed.lic

10. GENERAL PROVISIONS

a. The Licensor hereby grants to the Licensee the right to use the premises or facilities described in item 3, together with the necessary rights of ingress and egress.

b. This License shall be effective for the period stated in item 2 and is revocable at any time without notice at the option and discretion of the Licensor or its duly authorized representative.

c. The use shall be limited to the purposes specified herein.

d. This License shall be neither assignable nor transferable by the Licensee, unless permitted by Licensor in item 4.

e. If utilities and services are furnished to the Licensee for its use of the premises, the Licensee shall reimburse the Licensor for the cost thereof as determined by the Licensor in accordance with applicable statutes and regulations (See Special Provision 6 of this License for specific requirements).

f. The Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the premises or facilities licensed hereby. At the discretion of the Licensor, this obligation shall include, but not be limited to, contribution toward the expense of long term maintenance of the premises or facilities, the necessity for which accrued during the period of Licensee's use. The amount of expense to be borne by the Licensee shall be determined by prorating the total expense of the item of long term maintenance on the basis of fractional use by the Licensee. This fractional part of the total expense shall be prorated further if the item of long term maintenance did not accrue in its entirety during Licensee's use.

g. Upon a determination by the Licensor that the necessity exists for an expenditure of funds for maintenance, protection, preservation, or repair, the Licensee shall pay to the Licensor, its proportionate share, on demand.

h. No additions to, or alterations of, the premises or facilities shall be made without the prior consent of the Licensor. Upon revocation or surrender of this License, to the extent directed by the Licensor, the Licensee shall remove all alterations, additions, betterment, and improvements made, or installed, and restore the premises or facilities to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

i. The Licensee shall be liable for any loss of, or damage to, the premises or facilities incurred as a result of its use and shall make such restoration or repair, or monetary compensation as may be directed by the Licensor. The Licensee's liability for loss or damage to the premises resulting from risks expressly required to be insured hereunder shall not exceed the amount of insurance so required. The Licensee shall not be liable for loss of, or damage to, the premises arising from causes beyond the control of the Licensee and occasioned by a risk not in fact covered by insurance and not customarily covered by insurance in the locality in which the premises are situated. Nothing contained herein, however, shall relieve the Licensee of liability with respect to any loss or damage to the premises, not fully compensated for by insurance, which results from willful misconduct, lack of good faith, or failure to exercise due diligence, on the part of the Licensee. All insurance required of the Licensee on the premises shall be for the protection of the Licensor and the Licensee against their respective risks and liabilities in connection with the premises. Each policy of insurance against loss or damage to Government property shall name the Licensee and the United States of America, Department of the Navy, as the insured and shall contain a loss payable clause reading substantially as follows:

"LOSS, IF ANY, UNDER THIS POLICY SHALL BE ADJUSTED WITH (NAME AND LICENSEE) AND THE PROCEEDS, AT THE DIRECTION OF THE GOVERNMENT, SHALL BE PAYABLE TO (NAME OF LICENSEE), AND PROCEEDS NOT PAID TO (NAME OF LICENSEE) SHALL BE PAYABLE TO THE TREASURER OF THE UNITED STATES OF AMERICA."

In the event that any item or part of the premises or facilities shall require repair, rebuilding, or replacement resulting from loss or damage, the risk of which is assumed under this paragraph, the Licensee shall promptly give notice thereof to the Licensor and, to the extent of its liability as provided in this paragraph, shall, upon demand, either compensate the Government for such loss or damage, or rebuild, replace or repair the item or items of the premises or facilities so lost or damaged, as the Licensor may elect. If the cost of such repair, rebuilding, or replacement exceeds the liability of the Licensee for such loss or damage, the Licensee shall effect such repair, rebuilding, or replacement if required so to do by the Licensor, and such excess of cost shall be reimbursed to the Licensee by the Licensor. In the event the Licensee shall have effected any repair, rebuilding, or replacement which the Licensee is required to effect pursuant to this paragraph, the Licensor shall direct payment to the Licensee of so much of the proceeds of any insurance carried by the Licensee and made available to the Government on account of loss of or damage to any item or part of the premises or facilities as may be necessary to enable the Licensee to effect such repair, rebuilding or replacement. In event the Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to the Licensee, the Licensee shall promptly refund to the Licensor the amount of such proceeds.

j. Interest: Notwithstanding any other provision of this License, unless paid within thirty (30) days, any amounts that become payable by the LICENSEE to the GOVERNMENT under this contract (net of any applicable tax credit under the internal Revenue Code) shall bear interest from the date due until paid and shall be subject to adjustments as provided in the Federal Acquisition Regulations, as in effect on the date of this License. The interest rate per annum shall be the interest rate in effect which has been established by the Secretary of the Treasury pursuant to Public Law 95-563, the Contracts Disputes Act of 1978, which is applicable to the period in which the amount becomes due as herein provided. Amounts shall be due upon the earliest one of (a) the date fixed pursuant to this contract; (b) the date of the first written demand for payment, consistent with this License, including demand consequent upon default termination; or (c) the date of transmittal by the GOVERNMENT to the LICENSEE of proposed supplemental agreement to confirm completed negotiations fixing the amount. The interest charge made under this clause may be reduced under the procedures prescribed in 32.614 of the Federal Acquisition Regulations in effect on the date of this contract.

k. The Licensee shall indemnify and save harmless the Government, its officers, agents, servants and employees from all liability under the Federal Tort Claims Act (62 Stat. 869, 982; 28 U.S.C. Sec 2671, 2680) or otherwise, for death or injury to all persons, or loss or damage to the property of all persons resulting from the use of the premises by the Licensee. Licensee shall furnish the insurance specified in Item 9. Each policy of insurance required in Item 9 covering bodily injuries and third party property damage shall contain an endorsement reading substantially as follows:

"(a) The insurer waives any right of subrogation against the United States of America that might arise by reason of any payment made under this policy. (b) The Commanding Officer, Southwest Division, Naval Facilities Engineering Command, San Diego, California, shall be given thirty (30) days written notice prior to making at or from the premises licensed from the United States. (d) This insurance certificate is for use of facilities at item #1."

l. All insurance required by this License shall be in such form, for such periods of time, and with such insurers as the Licensor may require or approve. A certificate of insurance or a certified copy of each policy of insurance taken out hereunder shall be deposited with the Licensor's local representative prior to use of the premises and facilities. The Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to the Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks.

m. No member of or delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this License or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this License if made with a corporation for its general benefit.

n. The Licensee warrants that it has not employed any person to solicit or secure this License upon any agreement for a commission percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this License or in its discretion to recover from the Licensee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. This warranty shall not apply to commissions payable by the Licensee upon contracts or sales secured or made through *bona fide* established commercial or selling agencies maintained by the Licensee for the purpose of securing business.

o. In connection with the performance of work under this License the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

p. All activities authorized hereunder shall be subject to such rules and regulations as regards supervision or otherwise, as may, from time to time, be prescribed by the local representative of the Licensor as designated in Item 5a.

11. SPECIAL PROVISIONS

a. Licensee will at all times during the use of this license promptly observe and comply, at its sole cost and expense, with the provisions of all applicable Federal, State, and local laws, regulations, and standards concerning environmental quality and pollution control and abatement, with respect to its occupancy and use of the Premises. Licensee covenants that it will not improperly generate, use, or store hazardous substances or hazardous waste on the Premises. Licensee shall promptly notify the Government and supply copies of any notices, reports, correspondence, and submissions made by Licensee to any Federal, State, or local authority, or received by Licensee from said authority, concerning environmental matters or hazardous substances or hazardous waste on, about, or pertaining to the Premises. Licensee shall indemnify, defend and hold harmless the Government from and against all claims, liabilities, losses, damages and costs, foreseen or unforeseen, which the Government may incur by the reason of Licensee's action or non-action with regard to obligations under this paragraph, and this provision shall survive the expiration or termination of the license.

b. Licensee or its Sublicensee is required to provide their own security for all the licensed premises, shown in Exhibit A. Private patrol operators and persons employed as security guards or patrol persons must meet the licensing and California Registration requirements for private security services as defined in the California Business and Professions Code.

c. The licensed premises must be restored to the original condition prior to expiration of this license.

d. No notice, order, direction, determination, requirement, consent, or approval under this License shall be of any effect unless it is in writing.

e. Licensee or its Sublicensee shall be allowed ingress and egress to the licensed premises.

f. Licensee shall ensure that no illegal activity according to Federal, State and local statues and ordinances shall be allowed within the confines of any facilities and real estate described in this agreement.

g. Licensee is prohibited from using the licensed property for the treatment or disposal of toxic or hazardous material, which includes material of a flammable, explosive or pyrotechnic nature.

h. In lieu of any policy of insurance required hereunder, Licensee and Licensor understand and agree that Licensee shall maintain a program of self-insurance fully adequate to cover Licensee's liability for loss or damage to the premises resulting from risks expressly required to be insured hereunder. Licensor acknowledges that Licensee shall not be required to deposit a certificate of insurance or certified copy of a policy of insurance with Licensor's local representative.

i. Licensee is required to remove all debris and personal property/equipment from the licensed premises upon the expiration of this license.

j. Licensee is not permitted access to the portion of Licensed Premises that contains Navy owned personal property, including museum artifacts, equipment and display cases.

LICENSEE ACKNOWLEDGMENT

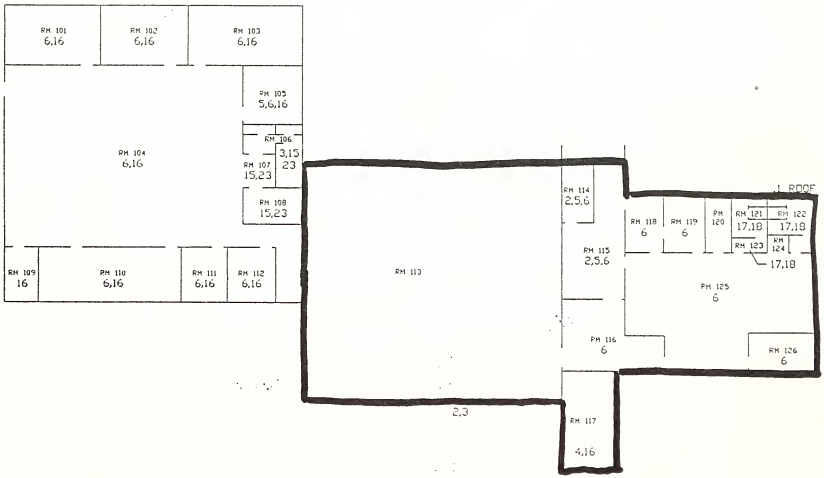
Licensee

7-15-03

Date

EXHIBIT B

DESCRIPTION OF PREMISES



BUILDING 449: TENANT RESERVE TRAINING CENTER

N

NAVAL STATION
TREASURE ISLAND
SAN FRANCISCO, CA

BLDG 449
ASSUMED

ASBESTOS CONTAINING MATERIAL

SHEET 1 1

EXHIBIT C
COVER PAGE OF SEISMIC REPORT

TREASURE ISLAND REUSE PLAN

EXISTING CONDITIONS REPORT: VOL. 2

PHYSICAL CHARACTERISTICS, BUILDING AND INFRASTRUCTURE CONDITIONS

AUGUST 1995

PREPARED FOR:
The Office Of Military Base Conversion,
Planning Department, City & County of San Francisco,
and the San Francisco Redevelopment Agency

PREPARED BY:
ROMA Design Group
Cerbatos & Associates Consulting Electrical Engineers
Cervantes Design Associates
Don Todd Associates, Inc.
Manna Consultants, Inc.
Moffatt & Nichol Engineers
Olivia Chen Consultants, Inc.
Takahashi Consulting Engineers
Treadwell & Rollo, Inc.

RECYCLED
80000 SERIES
30% P.C.W.

FIRST EXTENSION TO
TREASURE ISLAND USE PERMIT

THIS EXTENSION TO USE PERMIT (the "Extension"), dated as of January 14, 2004, is entered into by and between the Treasure Island Development Authority ("Authority") and the San Francisco Museum and Historical Society ("Permitee"). From time to time, Authority and Permitee together shall be referred to herein as the "Parties".

This Amendment is made with reference to the following facts and circumstances:

A. On or about July 16, 2003, Authority and Permitee entered into that certain Use Permit agreement (hereafter, the "Permit") for the use of portions of Building 449 on Naval Station Treasure Island, all as shown on Exhibit B of the Permit.

B. The Parties wish to enter into an Extension of the Permit to continue use on a month-to-month basis for an additional twelve months, retroactively from January 14, 2004 and to expire on January 14, 2005.

NOW THEREFORE, Sublandlord and Subtenant agree as follows:

1. Paragraph 10 of the Permit is hereby amended to extend the Permit for an additional one year, commencing January 14, 2004 and terminating on Januray 14, 2005.

2. The original terms of the Permit are to remain constant through out the term of this extension.

Authority and Permittee have executed this Extension in triplicate as of the date first written above.

PERMITEE:
SAN FRANCISCO MUSEUM AND HISTORICAL SOCIETY

By: _____
Name: Jim Lazarus, Executive Director
Its: San Francisco Museum and Historical Society

AUTHORITY:

The Treasure Island Development Authority

_____

Annemarie Conroy, Executive Director

Approved as to Form:
DENNIS J. HERRERA, City Attorney

_____

By: _____
Deputy City Attorney

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director to Execute an Amendment to the Sublease with Treasure Island Enterprises to Exclude Certain Property from the Premises

Agenda Item No. 10
Meeting of February 11, 2004

Contact/Phone: Stephen Proud, Deputy Director
274-0660

BACKGROUND

On September 2, 1998, the Authority and Treasure Island Enterprises entered into a Sublease for the Marina under which TIE would assume responsibility for all management functions of the marina, including, without limitation, the performance of all property management, marketing, leasing, protection, maintenance and repairs. On November 14, 2001, the Authority approved the First Amendment to the Sublease to modify provisions related to the repair of the facilities, the improvement allowance, the books and records. The proposed Second Amendment to the Sublease would modify the premises to exclude the area south of Pier 1 and adjacent to the shoreline which was intended to accommodate approximately 100 boats in dry storage (the "Storage Area").

As further detailed in the Staff Summary for Agenda Item 6, the Treasure Island Sailing Center would like to expand their operation to provide additional sailing opportunities for underprivileged youth, and residents of the Bay Area. To accomplish that goal, they need to increase their facility to accommodate additional instruction space and boat storage (which generates the revenue to support the programs). The area identified by the Sailing Center for facility expansion is currently part of the premises for the Marina. This resolution would remove the Storage Area from the marina premises and thus make it available for use by the Sailing Center.

RECOMMENDATION

Staff recommends approval of the amendment to the Sublease to exclude the Storage Area from the premises.

[Second Amendment to Marina Interim Sublease]

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE SECOND AMENDMENT TO THE INTERIM SUBLEASE WITH TREASURE ISLAND ENTERPRISES TO EXCLUDE PROPERTY FROM THE PREMISES.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, on September 2, 1998, the Authority and Treasure Island Enterprises (TIE) entered into a two-year sublease for the interim operation by TIE of the existing marina,

including, without limitation, the performance of all property management, marketing, leasing, protection, maintenance and repair responsibilities of the Authority required under its Master Lease with the United States Government, acting by and through the United States Navy (the "Navy"); and

WHEREAS, Under the terms of the Sublease, the premises included the area commonly known as the Treasure Island Marina (the "Marina") and an area south of Pier 1 and adjacent to the shoreline (the "Storage Area"); and

WHERAS, TIE has agreed to amend the premises to exclude the Storage Area with the understanding the Storage Area will be made available to the San Francisco Sailing Center to allow the Sailing Center to expand their sailing programs for underprivileged youth and residents of the Bay Area; now therefore, be it

RESOLVED, That the Authority hereby approves and authorizes the Executive Director to Execute the Amendment to the Sublease with TIE, in the form attached hereto as Exhibit A, to exclude the Storage Area from the premises; and, be it

FURTHER RESOLVED, That the Authority authorizes the Executive Director to enter into modifications to the Amendment (including, without limitation, the attachment or modification of exhibits) that are in the best interests of the Authority and the City, do not materially change the terms of the Sublease, and are necessary and advisable to effectuate the purpose and intent of this resolution.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2004.

_____

William Fazande, Secretary

RECYCLED ® 80000 SERIES
10% P.C.W.

SECOND AMENDMENT TO
INTERIM SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

TREASURE ISLAND ENTERPRISES
as Subtenant

For the Interim Sublease of

The Treasure Island Marina at former Naval Station Treasure Island
San Francisco, California

SECOND AMENDMENT TO
TREASURE ISLAND ENTERPRISES SUBLEASE

THIS SECOND AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and Treasure Island Enterprises, LLC, a California limited liability company ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Amendment is made with reference to the following facts and circumstances:

A. Sublandlord and Subtenant are parties to the Interim Sublease of the Treasure Island Marina at former Naval Station Treasure Island in San Francisco, California, dated September 1, 1999 (the "Sublease"). All capitalized terms used in this Amendment that are not otherwise defined herein shall have the meaning given to it in the Sublease.

B. Sublandlord and Subtenant desire to amend the Sublease to reduce the size of the Premises,. Nothing herein is intended to modify or set a precedent for the terms and conditions of the long-term lease contemplated by the ENA.

NOW THEREFORE, Sublandlord and Subtenant hereby agree to amend the Sublease as follows:

1. Recital A is hereby amended to read as follows:

   A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a South Waterfront Lease dated September 5, 1998 (the "South Waterfront Lease"), and a Treasure Island Marina Lease, dated September 4, 1998 (the "Marina Lease") for certain portions of that property commonly known as former Naval Station Treasure Island (the "Property"). The South Waterfront Lease and the Marina Lease are attached hereto as Exhibits A-1 and A-2 respectively and are collectively referred to herein as the "Master Lease". Under the Master Lease, the Master Landlord leased to Sublandlord, among other things, that property commonly known as the Treasure Island Marina (the "Premises"), as more particularly shown on Exhibit B-3.

2. Exhibit B-1 and Exhibit B-2 to the Sublease is hereby replaced in its entirety by Exhibit B-3 attached hereto.

3. Except as expressly stated in this Amendment, all other terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT:
TREASURE ISLAND ENTERPRISES,
a California Limited Liability Company
By OAC3, a California limited liability company

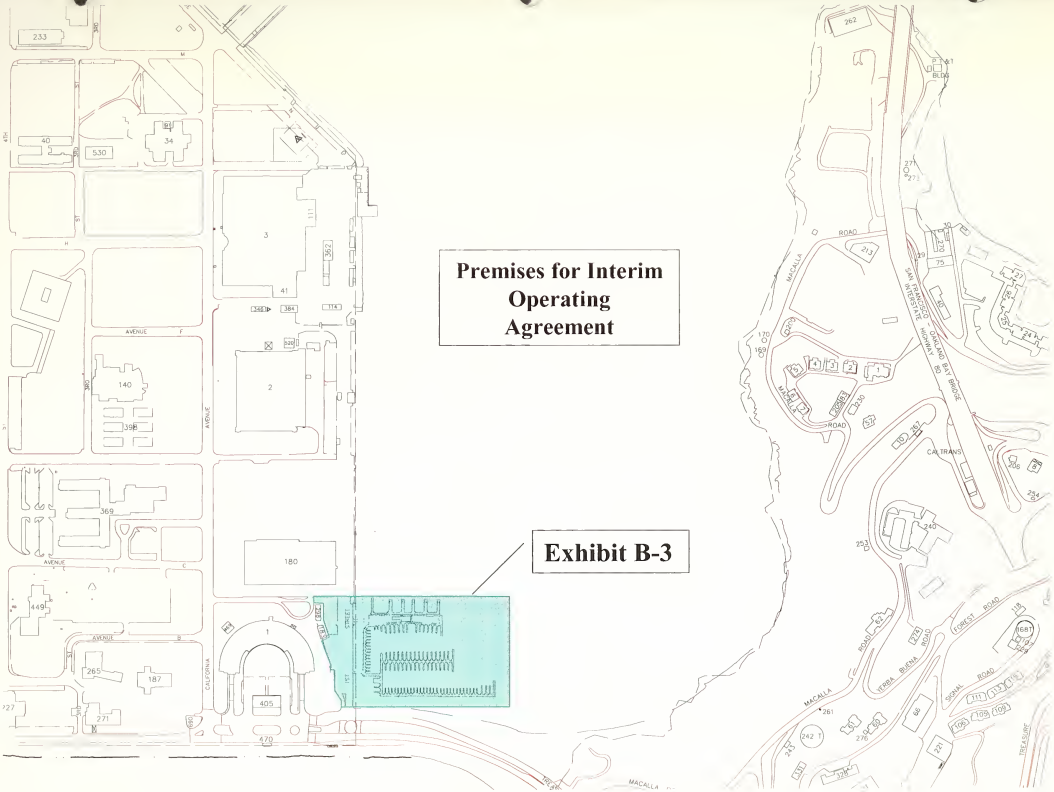
By: _____
Its: _____

SUBLANDLORD:
THE TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director

Approved as to Form:
DENNIS J. HERRERA,
City Attorney

_____
Deputy City Attorney


Premises for Interim Operating Agreement
Exhibit B-3
MACALLA ROAD
SAN FRANCISCO - OAKLAND BAY BRIDGE INTERSTATE HIGHWAY 80
CAL TRANS
FOREST ROAD
SIGNAL ROAD
TREASURE
VERBA BUENA ROAD
CALIFORNIA
AVENUE F
AVENUE C
AVENUE B
1ST STREET
1ST
BLDG
233
40
530
34
3
111
362
41
2
140
398
369
180
449
265
187
271
405
470
262
213
75
170
160
240
253
261
242
276
221
1681
111
105
109
106
108
114
384
362

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director to Execute an Amendment to the Sublease with the San Francisco Sailing Center to Extend the Term and to Expand the Premises

Agenda Item No. 11
Meeting of February 11, 2004

Contact/Phone: Stephen Proud, Deputy Director
274-0660

BACKGROUND

In November 1999, the Authority approved a two-year Sublease with the San Francisco Sailing Center Foundation for the use of Piers 11 & 12 on Treasure Island. On December 12, 2001, the Authority Board authorized an extension of the Sublease to December 2, 2003. The proposed amendment would extend the term of the Sublease to December 31, 2005, and expand the premises from approximately 32,500 square feet to 60,000 square feet. The proposed amendment would add an area south of Pier 1 and adjacent to the shoreline which was formerly part of the Interim Sublease with Treasure Island Enterprises.

In 2003, the Treasure Island Sailing Center provided opportunities to sail for over 775 youth, 65 disabled persons, and over 100 adults, through the Youth Sailing Programs, Adaptive Sailing Programs, Adult Sailing Programs, Racing Programs, Regattas, and Special Events. Some of the organizations participating in the sail instruction program include:

- San Francisco Recreation & Park Summer Sail Program
- San Francisco Boys & Girls Club
- The I Have A Dream Foundation
- The Chinatown YMCA and Chinatown Beacon Center
- West Oakland YMCA & Poplar Recreation Center

In addition to the sail instruction program, the Sailing Center has been the host site for number of variety of races and regattas including the 2003 Moet Cup, the 2003 West Marine Fun Regatta, and the 2003 Team Racing Nationals.

For the upcoming 2004 and 2005 seasons, the Sailing Center is looking to expand sailing opportunities to more bay area residents. In addition to the introductory sailing programs offered to youths, adults and disabled sailors, the Sailing Center would like to initiate several new programs including Intermediate Sailing and Racing Programs for Youth, a Sailing into Schools program with three schools and over 60 kids participating, and Adult Certification Programs for various types of boats.

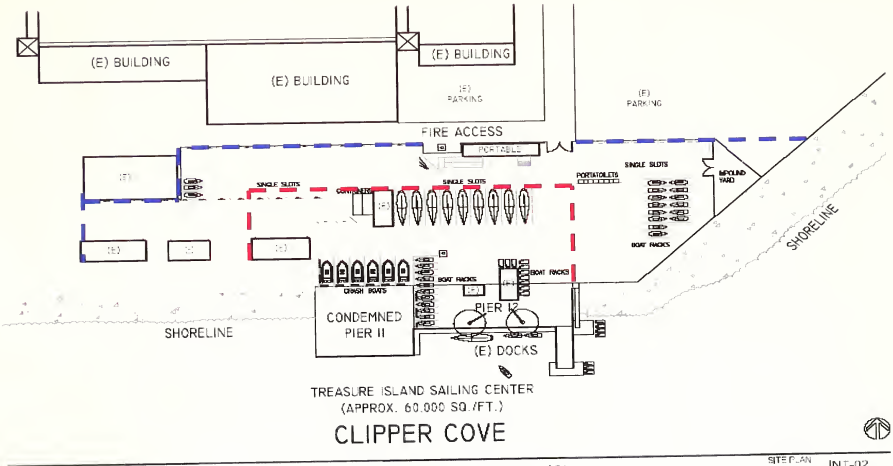
To support both the existing programs and the proposed new programs, the Sailing Center is requesting the Authority expand the premises boundaries. This expansion would provide space for a modular unit with classroom and office space for instruction and administrative support. On either side of the modular unit, small areas would be created to allow private space for boys and girls to change clothes for their activities.

In addition to the modular unit, the additional space will allow the Sailing Center to store more boats. The boat storage provides a necessary source of revenue that allows the Sailing Center to offer subsidized lessons and provides the revenue needed to purchase more boats, thus allowing the program to accommodate more members of the community.

Recommendation

Staff recommends approval of the amendment to the Sublease to extend the term to December 31, 2005 and to expand the premises to 60,00 square feet.

Proposed Amendment to Sailing Center Premises



Original Premises

Proposed Amendment

[Amendment to the Sublease with San Francisco Sailing Center]

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE SUBLEASE WITH THE SAN FRANCISCO SAILING CENTER FOUNDATION TO EXTEND THE TERM TO DECEMBER 31, 2005 AND TO EXPAND THE PREMISES.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, In order to facilitate productive reuse and job creation on the Base, it may be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease or sublicense such property to third-parties or use such property for municipal purposes; and,

WHEREAS, At its August 18, 1999 meeting, the Authority approved a resolution authorizing the execution of a sublease with the San Francisco Sailing Center for the Use of Piers 11 & 12 and adjacent areas on the Base (the "Premises"); and

WHEREAS, Under the terms of the Sublease, the Subtenant is granted the right to use the Premises for the hosting of sailing competitions; the operation of sailing programs to teach sailing to underprivileged youth groups in San Francisco; to store boats to support the operation and activities of the sailing center; and

WHEREAS, the Authority approved a resolution on December 12, 2001 to extend the term of the Sublease to December 1, 2003; and

WHEREAS, the Subtenant wishes to extend the term of the Sublease until December 31, 2005; and

WHEREAS, the Subtenant wishes to sublease an additional 27,750 square feet of land from the Authority for the same purposes stated in the Sublease, and which will allow for an expansion of the number of youth, adults and disabled persons who are able to access the facility for sailing activities; Now, therefore, be it

RESOLVED, That the Authority hereby approves and authorizes the Executive Director to Execute the Amendment to the Sublease with Subtenant, in substantially the form attached hereto as Exhibit A, for the purpose of extending the term of the Sublease to December 31, 2005, and expanding the premises; and, be it

FURTHER RESOLVED, That the Authority authorizes the Executive Director to enter into modifications to the Amendment (including, without limitation, the attachment or modification of exhibits) that are in the best interests of the Authority and the City, do not

materially change the terms of the Sublease, and are necessary and advisable to effectuate the purpose and intent of this resolution.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2004.

_____

William Fazande, Secretary

RECYCLED ⊕ 80000 SERIES 30% P.C.W.

FIRST AMENDMENT TO SUBLEASE

Between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

As Sublandlord

And

TREASURE ISLAND SAILING CENTER FOUNDATION
As Subtenant

For the Sublease of

Piers 11 and 12 and other space at
Former Naval Station Treasure Island
San Francisco, California

LIST OF EXHIBITS:

EXHIBIT B-1 – Premises Description

FIRST AMENDMENT TO SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (this "Amendment"), dated as of _____, 2004, is by and between the Treasure Island Development Authority ("Sublandlord"), and the Treasure Island Sailing Center Foundation, a California non-profit public benefit corporation ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On December 12, 2001, Sublandlord and Subtenant entered into a Sublease pursuant to which Sublandlord agreed to sublease property commonly known as Pier 11 and Pier 12 consisting of (a) approximately 15,000 square feet of surface area with three small wood-framed structures located thereon, (b) approximately 2,500 square feet of water surface area located at Piers 11 and 12, and (c0 approximately 15,000 square feet of paved surface area, located on former Naval Station Treasure Island in the City and County of San Francisco. Such Piers and related premises are collectively referred to herein as the "Premises" and are more particularly shown on Exhibit B to the Sublease.

B. Sublandlord and Subtenant wish to amend the Premises by increasing the paved surface area by approximately 27,750 square feet located in an area south of Pier 1 and adjacent to the shoreline and further depicted in Exhibit B-1, attached..

C. The term of the Sublease expired on December 1, 2003 and the Sublandlord and the Subtenant wish to extend the term of the Sublease to December 31, 2005.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend the Sublease as follows:

1. PREMISES

   Exhibit B to the Sublease is hereby replaced in its entirety by Exhibit B-1 attached hereto.

2. TERM

   Section 3.1.(ii) is deleted and replaced with the following:

   (ii) December 31, 2005

3. Except as expressly stated in this Amendment, all other terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT:
TREASURE ISLAND SAILING CENTER
a California non profit public benefit corporation

By: _____
Its: _____

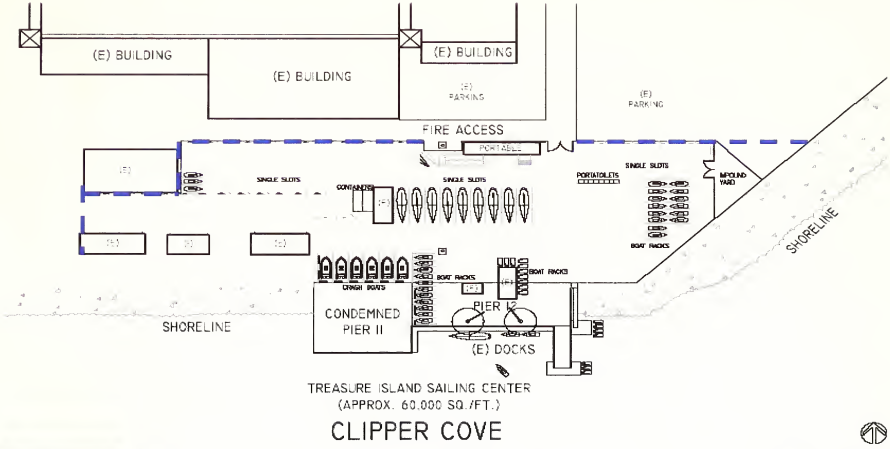
SUBLANDLORD:
THE TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director

Approved as to Form:
DENNIS J. HERRERA
City Attorney

_____
Deputy City Attorney

Exhibit B-1 Sailing Center Premises



TREASURE ISLAND SAILING CENTER
NILSEN Architecture Planning Interior Design

PROPOSED INTERIM EXPANSION

SITE PLAN INT-02

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation of a Study Prepared by Treasure Island Community Development for Wastewater And Recycled Water Treatment Alternatives

Agenda Item No. 12 + 13
Meeting of February 11, 2004

Resolution Authorizing the Executive Director to Execute a memorandum of Agreement with the East Bay Municipal Utility District (EBMUD) to Explore the Feasibility of EBMUD Providing Wastewater and Recycled Water Service to Treasure Island/Yerba Buena Island

Contact/Phone: Stephen Proud, Deputy Director
274-0660

BACKGROUND

On April 9, 2003 the Authority authorized the execution of an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development (TICD) for the redevelopment of former Naval Station Treasure Island. The ENA Schedule of Performance outlined a schedule regarding the negotiation and preparation of documents necessary to implement the redevelopment. Based on review of the TICD development proposal by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (TI/YBI CAB) and Authority staff, this Schedule of Performance identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan and agreement. One of the three studies is an evaluation of future wastewater and recycled water treatment alternatives.

TICD contracted with Brown and Caldwell to evaluate wastewater and recycled water options for the proposed redevelopment of Treasure Island and the draft report attached to this staff summary presents their analysis and findings. The report is based a review of Treasure Island Community Development, LLC's ("TICD") January 2003 Revised Land Plan, and information obtained from meetings with representatives from TICD to learn more about its proposed land plan, and discussions with representatives of the San Francisco Public Utilities Commission ("SFPUC"), East Bay Municipal Utilities District ("EBMUD") and the staff of the Treasure Island Development Authority ("TIDA"). The findings of the evaluation were also presented by Brown and Caldwell at the December 11, 2003 TI/YBI CAB meeting and the TI/YBI CAB discussed the evaluation at its January 15, 2004 meeting.

SUMMARY OF EVALUATION

The report evaluated two options for wastewater and recycled water treatment – an on-island treatment plant, located generally in the vicinity of the existing treatment facility, and off-island treatment at the East Bay Municipal Utility District's Main Wastewater Treatment Plant (EBMUD MWWTP) located in Oakland. The report estimates the construction costs associated with development related wastewater and recycled water treatment and conveyance facilities, along with annual operations and maintenance costs for each alternative. A 25-year present worth analysis is also presented as a means to further evaluate the relative costs of the treatment alternatives.

In general, the on-site costs cost for construction and operation & maintenance (O&M) are higher than the off-island treatment alternatives. The construction cost for an on-island facility to treat wastewater and recycled water is estimated at $10.5-13.5 million compared to off-island construction costs of approximately $6.9 million. The O&M costs associated with on-island treatment are approximately $2.85 million compared to an estimate of $2.5 million for off-island treatment.

The construction and O&M costs associated with on-island treatment appear high on a per gallon basis when compared to other operating facilities in the Bay Area. This is attributed to the small size and remoteness of the on-island facilities, and the lack of economy of scale that is available at larger facilities such as the EBMUD MWWTP or SFPUC's Southeast Wastewater Treatment Plant.

RECOMMENDATION/NEXT STEPS

While the analysis presented in the report suggests that off-island treatment of wastewater and recycled water is the least costly alternative, staff feels that additional detailed analysis is necessary to adequately address this issue. To that end, staff has been in contact with the EBMUD to craft a Memorandum of Understanding (MOU) which would allow TIDA and EBMUD to evaluate the feasibility of conveying wastewater and recycled water to Treasure Island/Yerba Buena Island to serve future development (the MOU is attached to resolution as Exhibit A).

Under the terms of the MOU, EBMUD and TIDA (working with the SFPUC) would prepare a Work Plan, which would address the following issues:

- Evaluate the feasibility of conveying wastewater flows from the existing wastewater treatment plant in Treasure Island to the EBMUD's existing Main WWTP in Oakland;
- Evaluate the feasibility of conveying recycled water flows from the Main WWTP to Yerba Buena and Treasure Island;
- Evaluate alternatives and identifying a preferred alignment;
- Evaluate modifications to existing wastewater treatment plant;
- Perform preliminary engineering studies; and
- Develop planning level design documents including a planning level cost estimate for design and construction.

The findings of the feasibility analysis will be presented to the TIDA Board and the Treasure Island/Yerba Buena Island Citizens Advisory Board for consideration and any future agreements with EBMUD is subject to the approval of the TIDA Board.

Evaluation of Wastewater and Recycled Water Treatment Alternatives for the Proposed Treasure Island Development

BROWN AND CALDWELL

December 3, 2003

EXECUTIVE SUMMARY

Brown and Caldwell was contracted to evaluate wastewater and recycled water options for the proposed redevelopment of Treasure Island. This draft report summarizes our analysis and findings related to the identification and evaluation of wastewater and recycled water treatment opportunities and supply for the proposed redevelopment of Treasure Island. This report presents the following elements:

- Purpose and Goals
- Flow and Capacity Estimates
- Alternatives Evaluated
- Opinions of Construction Cost
- Estimates of Annual Operation and Maintenance Costs

This report is based on Brown and Caldwell's review of Treasure Island Community Development, LLC's ("TICD") January 2003 Revised Land Plan, and information obtained following meetings with representatives from TICD to learn more about its proposed land plan, and in depth discussions with representatives of the San Francisco Public Utilities Commission ("SFPUC"), East Bay Municipal Utilities District ("EBMUD") and the staff of the Treasure Island Development Authority ("TIDA").

PURPOSE AND GOALS

TIDA has entered into an Exclusive Negotiating Agreement ("ENA") with TICD with regard to the redevelopment of former Naval Station Treasure Island. The ENA requires that a feasibility study be prepared that discusses the two alternative methods of treating wastewater generated by the redevelopment of TI, including the further treatment of a portion of the treated water effluent for recycling on TI. The wastewater treatment capacity analyzed in this study is based on estimated flows that will be generated from the redevelopment of TI, plus the flows generated by the existing Federal facilities, including the Coast Guard and the Department of Labor Jobs Corps.

Brown and Caldwell understands that the land plan analyzed in this study is undergoing further review and consideration. Assuming the land uses, total number of housing units and total acreage of commercial, retail, and open spaces remain approximately the same, the analysis and conclusions set forth here will generally remain the same.

This study did not analyze potable water supply for the redevelopment plan. It has been assumed that potable water needs will continue to be met by the existing SFPUC supply line.

Current Conditions

The SFPUC currently treats wastewater from existing Treasure Island and Yerba Buena development on-site at the existing treatment plant located at the northeastern corner of TI and will continue to do so until the proposed TICD development and new capacity is on-line. The SFPUC has no off-Island treatment capability at this time, and it does not have plans to build the infrastructure necessary to support off-Island treatment. Caltrans, however, has designed a wastewater conveyance pipeline as part of the Bay Bridge Eastern Span Seismic Safety Project (ESSSP) and EBMUD has offered to propose an agreement to treat the wastewater from the TICD development at its Special District 1 Main Wastewater Treatment Plant ("MWWTP") in Oakland, and to provide recycled water from the same facility.

FLOW AND CAPACITY ESTIMATES

Flow and capacity estimate assumptions were based on the land use matrix prepared by TICD in January 2003 for the proposed development. In addition, staff of the SFPUC provided information on existing uses and development on TI and YBI that will remain through and after the development.

A summary of the TICD land use matrix, including the existing uses to be retained, is shown on Table 1. The table presents the estimated potable water and recycled water demand for each of the land use categories. The potable water quantities are based on capacity factors for each land use type summarized on Table 1.

The following are additional assumptions used to generate the values presented:

1. Average wastewater flows are estimated at about 90 percent of potable water usage.(Based on SFPUC sewer service charge ordinance) This assumes that residential irrigation will use potable water, and that open space and commercial areas will use recycled water for irrigation.

2. Recycled water will be used for flushing toilets in the hotel(s) and other commercial buildings as required by the San Francisco ordinance for recycled water use.

3. Recycled water will be used for irrigation of open space. Irrigation is assumed to happen over a seven-month period per year, for the open space areas that require irrigation. Much of the open space will be planted with drought tolerant species that only require irrigation for the first two years for plant establishment. The limited turf areas will require long term irrigation.

Table 1. YBI - Treasure Island Land Use Matrix

Use Type	Units	Phase 1	Phase 2	Phase 3	Total	Projected Water Use Per Unit	Projected Potable Water Use	Projected Recycled Water Use	Remarks
Residential	No.	1,104	881	816	2,801	250	700,250	----	Note 1
Retail	SF	138,800	32,000	50,000	220,800	--	15,200	7,620	Note 2
Hotel	SF	251,000	0	163,000	414,000	--	95,040	47,520	Note 3
Production Studio	SF	240,767	0	0	240,767	--	8,980	6,900	Note 4
Flex Use	Acres	0	4	6	10	7,500	75,000	10,000	Note 5
Cultural, Education	SF	254,799	250,000	33,000	537,799	--	37,000	12,400	Note 6
Public Facilities	SF	0	0	74,000	74,000	--	5,100	1,700	Note 7
Open Space	Acres	117	17	127	261	250	26,100	165,000	Note 8, Note 9
Coast Guard	----	----	----	----	----	----	17,000	----	Note 10
DOL Job Corp.	No.	900	0	0	900	150	135,000	---	Note 11
Total							1,114,670	251,140	

Notes:
1. 85 gallons per capita per day (gpcd), 2.9 people per residence
2. Potable use based on 30 persons per acre at 100 gallons per capita per day (gpcd), recycled use based on 50 gpcd.
3. Potable use based on 100 persons per acre at 100 gpcd, recycled use based on 50 gpcd.
4. Potable use based on 25 persons per acre at 65 gpcd, recycled use based on 50 gpcd.
5. Potable use based on 50 persons per acre at 150 gpcd, recycled use based on 20 gpcd.
6. Potable use based on 200 persons per acre at 15 gpcd, recycled use based on 5 gpcd.
7. Potable use based on 200 persons per acre at 15 gpcd, recycled water use (toilets) at 5 gpcd
8. Approximately 181 acres on TI, 80 acres on YBI. 31 acres will be planted in turf grass. The remainder in drought tolerant/native plants with significantly reduced or no irrigation required after 2 years. 800,000 gpd for max month during first 2 years, 225,000 gpd average for first two years, 165,000 gpd long term average during 7 months of irrigation per year.
9. Potable use based on 20 persons per acre at 5 gpcd.
10. Value provided by S. Larano, SFPUC.
11. Estimation based on dormitory for 900 residents, with educational use during the day.

The estimate of average wastewater flows is assumed to be 90% of the potable water use plus 100% of the recycled water used for nonirrigation purposes. Table 2 presents a summary of the estimated wastewater flows and the recycled water demands. These flow projections are used in the remainder of this evaluation.

Table 2. Projected Wastewater and Recycled Water Flows for Final TI-YBI Development

Flow stream	Flow, mgd[1]	
	Average	Peak
Wastewater	1.1	3.3[4]
Recycled water for first two years of plant establishment[2]		
Irrigation	0.23	0.8
Non-irrigation	0.09	0.13
Total recycled water	0.32	0.93
Long Term Recycled Use (after plant establishment)[2]		
Irrigation	0.16	0.24
Non-irrigation	0.09	0.13
Total recycled water	0.25	0.37

Notes:
1. mgd equals million gallons per day.
2. Recycled water is used throughout the year in commercial buildings and seven months per year for irrigation
3. Peak potable water flow will be based on design fire flows and is not used in estimating peak wastewater flows.
4. Peak wastewater flow is estimated for a peak wet weather condition and assumes a new, well constructed, well maintained collection system with low inflow and infiltration (I/I). Peak wastewater flow will exceed water usage due to I/I.

TREATMENT LOCATION ALTERNATIVES

This study evaluated two separate locations for both the wastewater treatment and recycled water treatment requirements. These are an on-island and off-site location for each type of treatment. Combining these produces a matrix of four treatment alternatives. These alternatives are shown in Table 3.

Table 3. Alternative Wastewater and Recycled Water Treatment Location Alternatives

Alternative	Wastewater treatment Location	Recycled Water Treatment Location
1.	On-island	On-island
2.	On-island	EBMUD[1]
3.	EBMUD[1]	On-island
4.	EBMUD[1]	EBMUD[1]

Notes:
1. Treatment is assumed to occur at EBMUD"s MWWTP in Oakland, with transmission of raw sewage, effluent or recycled water via the new pipes designed as part of the ESSSP.

The following are brief descriptions of the elements associated with each treatment location. This information forms the basis for the projected cost for each alternative.

On-Island Wastewater Treatment

The on-island wastewater treatment alternative is defined in this study as an on-site plant sized to treat all island-generated wastewater to secondary treatment standards for disposal through the existing Treasure Island outfall. For the purpose of this study, it was assumed that this plant will be located in the vicinity of the existing plant on the northeast corner of Treasure Island. If the on-island wastewater treatment alternative is selected, the location may be modified during final design based on the final development plan. The approximate location is shown in Figure 1. The sizing and cost estimates for this facility are based on the following:

- All infrastructure to collect and convey the wastewater to this location is common to all alternatives, has been costed as part of TICD's underlying financial analysis, and is not part of this evaluation.

- 1.2 mgd average capacity, 3.6 mgd peak wet weather capacity. This capacity is the estimated capacity for final buildout. Initial peak flows will likely be lower, when the sewers are new.

- Treatment to secondary treatment standards, 30 milligrams per liter (mg/L) five-day biochemical oxygen demand (BOD_5) and 30 mg/L total suspended solids (TSS).

- Treatment plant will include: influent screening, a combined primary/secondary treatment process (either membrane bio-reactors or sequencing batch reactors), aerobic sludge digestion, sludge dewatering and truck load-out, disinfection emergency power and odor control. Multiple process units are assumed, and the facility could be built in phases. However, for this evaluation, we assumed a single construction phase for the treatment plant.

- Flow from the plant to the outfall is assumed to be by gravity.

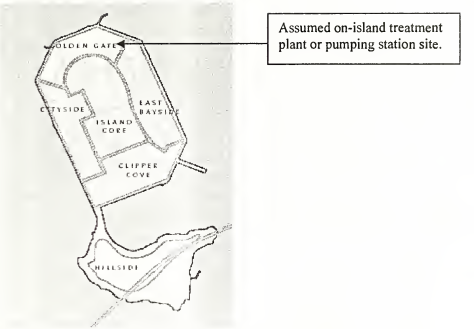


Figure 1. On-Island wastewater facility location.

Off-site Wastewater Treatment

In this alternative, wastewater would be collected at a single point on Treasure Island, and conveyed to the EBMUDMWWTP for treatment with disposal through the EBMUD outfall. The sizing and cost opinion for this alternative are based on the following assumptions:

- All infrastructure to collect and convey the wastewater to the primary station location is common to all alternatives, has been costed as part of TICD's underlying financial analysis, and is not part of this evaluation. For this evaluation, the pumping station was assumed to be located at the same location as the potential on-island WWTP.

- A pumping station would be built in the vicinity of the existing TI wastewater treatment plant. This pumping station would be designed to provide the peak flows to EBMUD with one pump unit out of service. The pumping station would have an average capacity of 1.2 mgd, and a peak wet weather flow capacity of 3.6 mgd. The cost estimate for the pumping station is based on including five pumps at 0.9 mgd each. This provides firm peak wet weather capacity with one pumping unit as a standby. The total pipeline length is about 6.5 miles. This includes about 2.5 miles on island, 2 miles on the bridge, and about 2 miles from the bridge to the EBMUD MWWTP. A full hydraulic evaluation of the pumping system (pumping station and pipeline) would be required to select the pumps and drive size. Pump horsepower is estimated to be between 200 and 300 hp each. The pumping station will include grinding, odor control, and emergency power.

- The static lift, or the vertical distance from the pumping station to the high point of the pipe on the bridge, is about 200 feet.

- A 12-inch-diameter forcemain from the pumping station to the bridge has been estimated. The approximate length of the pipe, dependent on routing, is about 2.5 miles or 13,200 feet. The size and location would be further refined during design.

- The 12-inch-diameter, double contained sewage pipeline is being included as part of the ESSSP by Caltrans. The cost of this pipeline is included in the cost estimate for the seismic retrofit of the eastern span and therefore is excluded from this evaluation. A cost recovery program may be established, payable through the user rate base. A pipeline from the eastern end of the bridge to the EBMUD MWWTP is required. The approximate length of this pipe, depended on routing, is about two miles or 10,500 feet.

Recycled Water Use and Treatment.

Recycled water is intended for irrigating open space areas, and for use in toilets in the planned hotel(s) and other non-residential buildings. For purposes of this analysis, it is assumed that recycled water is not used for irrigation on residential property
The development plan for Treasure Island includes about 181 acres of open space. There will also be about 80 acres of open space on Yerba Buena Island that would be irrigated by the recycled water system, for a total of 261 acres. The development plan calls for 31 of these acres to be planted in turf grass. The remainder will be planted with native and drought tolerant species that require significantly less or no irrigation after being irrigated for two years for plant establishment. Irrigation will take place during the dry months of April through October, with peak irrigation demands expected in July. The average recycled water demand during the irrigation months for the first two years of plant establishment is estimated to be 225,000 gallons per day (gpd). The long term average (after establishment) is 165,000 gpd. Combined with the other building uses, the reclaimed water demand is about 0.25 mgd. (Note: 0.09 mgd of the recycled water use will be year-round, the additional 0.16 mgd is seasonal.)

For treated wastewater to be used as recycled water and applied to areas subject to human contact, the water must be treated to levels established by the California Department of Health Services Title 24, for unrestricted use. Title 24 requires coagulation, filtration and disinfection of the secondary effluent for reuse. Selection of newer technology such as a membrane bioreactor (MBR) system for the secondary treatment of the wastewater would deliver the equivalent of filtered and coagulated water without the need for tertiary filtration. The level or degree of filtration and disinfection determine the suitability of the water for different types of contact. Additionally, the water must have any other impurities removed that would detract from its intended use. For example, wastewater collected on Treasure Island is high in chlorides due to intrusion of salty ground water into the sewers. The level of salt (chloride) in the water could be detrimental to plants and make it unsuitable for landscaping unless the chloride is removed.

On-island Treatment of Recycled Water

On-island treatment for recycled water is part of two alternatives. The first is on-island recycled water treatment coupled with on-island treatment of wastewater. In this case, the additional treatment would be provided by add-on treatment units at the same facility. The second alternative for on-island recycled water treatment would be a coupling with off-island wastewater treatment at EBMUD. In this case, wastewater is pumped to EBMUD for treatment and secondary effluent is pumped back to TI for further treatment, storage and reuse. The reason for considering both of these alternatives is that the level and cost of treatment required for the two alternatives differs significantly. As noted above, the wastewater collected on TI is high in salts. Chloride removal would likely be required if on-site wastewater and recycled water treatment is provided. If the secondary effluent source is the EBMUD MWWTP, chloride removal would likely not be required. (The high chloride levels in 1.2 mgd of TI wastewater would be "diluted" by about 70 mgd of low chloride wastewater at EBMUD's returning an effluent with a lower chloride content for tertiary treatment.)

The sizing of the recycled water treatment facility is based on the following:

- Average capacity of 0.25 mgd. Depending upon the salt concentration of the wastewater, it might be possible to install a smaller reverse osmosis (RO) facility and then blend a combination of filtered secondary effluent and RO permeate, to achieve an acceptable salt level, (e.g. 1,000 mg/L), in the product water. For example, if the wastewater has a salt concentration of 2,000 mg/L, a RO facility with about 0.14-mgd capacity would be sufficient. If the wastewater has a salt concentration of 8,000 mg/L, a RO facility with about 0.25-mgd capacity would be required. The brine from the RO facility would combine with the secondary effluent not used for recycle, for discharge to the Bay. Proper facility sizing would be confirmed during detailed design. Modular construction, with 0.25 mgd capacity provided with one module out of service.

- The cost estimate for on-island treatment of on-island generated secondary effluent is based on filtration, RO (for chloride removal) and disinfection.

- The cost estimate for on-island treatment of EBMUD produced secondary effluent is based on filtration and disinfection only.

- On-site recycled water treatment alternatives include storage of about 0.2 million gallons since peak recycled water demands will likely occur at night (irrigation) while diurnal wastewater flow peaks will occur during daylight hours.

Note, the on-island recycled water facilities have been sized and estimated based on the long term demand capacities. If the facility is built to supply the full irrigation need for the first two years of plant establishment, it would be 50% larger than required for the long-term demand. After two years, that excess capacity would not be used. The alternatives to building a larger on-island recycled water treatment facility are to purchase additional

recycled water from EBMUD or additional potable water to make up the irrigation demand during the first two years of plant establishment.

Off-site Treatment of Recycled Water

EBMUD would provide recycled water treated for unrestricted use. The recycled water would be provided via a pipeline from the EBMUD MWWTP to Treasure Island and YBI. Caltrans will be providing the portion of the pipeline on the bridge as part of the ESSSP. The construction costs for this alternative are based on providing the pipeline segments to and from the bridge landings, about four miles of 6-inch-diameter pipe. No on-site storage is anticipated, based on the assumption that peak or variable needs can be met by EBMUD without storage.

COSTS

The economic evaluation of the alternatives includes: plant and conveyance pipeline construction costs, operational costs (power, water, chemicals, operations and maintenance), and estimates on contract costs for off-site services. Construction costs are presented in Table 4, annual operating and contract costs are presented in Table 5, and a present worth analysis is presented in Table 6.

Construction Cost Estimates

Table 4 presents the estimated cost of constructing each of the four treatment alternatives. These costs do not include associated costs such as engineering, construction management or administration which should be between 20 to 30 percent of the estimated construction costs. The cost opinions presented here are planning level estimates as defined by the American Association of Cost Engineers classification for comprehensive studies. The cost estimates have an accuracy of plus 50 percent and minus 30 percent, and are based on price levels for the San Francisco Bay Area in August 2003 (ENR CCI 7800).

Table 4. Estimated Construction Cost for Four Treatment Alternatives, $Million

Alternative	Force-mains	Raw Sewage Pumping Station	Wastewater Treatment	Recycled Water Treatment	Total
1. On-island wastewater and recycled water treatment (including chloride removal)	0	0	7-10	3.5[4]	10.5-13.5
2. On-island wastewater treatment and recycled water purchased from EBMUD	2[1]	0	7-10	0	9-12
3. Wastewater treatment at EBMUD, on-island recycled water treatment (no chloride removal required)	4.1[2]	2.8	0	2.5	9.4
4. Wastewater and recycled water treatment at EBMUD	4.1[3]	2.8	0	0	6.9

Notes:
[1] 2.5 miles on island, 2 miles in Oakland of 6-inch recycled water pipe at $85/lf.
[2] 2.5 miles on island, 2 miles in Oakland of 12-inch raw sewage pipe at $125/lf and 2.5 miles of 6-inch secondary effluent pipe at $85/lf.
[3] 2.5 miles on island, 2 miles in Oakland of 12-inch raw sewage pipe at $125/lf and 2.5 miles of 6-inch recycled water pipe at $85/lf.
[4] Include recycled water storage.

Operating and Maintenance (O&M) Costs

An estimate of the O&M costs for the on-island wastewater treatment plant has been developed. The assumptions and information that form the basis for this estimate are presented below.

- Staffing of the on-site treatment facility would be by the SFPUC.
- Staffing will be similar (in terms of shift and time of day coverage by operators and sharing of maintenance with other facilities) to the current staffing at the existing TI WWTP.
- SFPUC provided a spreadsheet summarizing existing TI wastewater treatment plant staffing and costs. For this evaluation we escalated the 2002-2003 costs by 4% for

current costs, and increased the costs by 25% to reflect the increase in capacity and systems at a new on-island facility.

- Based on this information, the estimated annual labor cost to staff a 1.2 mgd on-island wastewater treatment plant is about $840,000.

- The estimated cost of electricity for the facility is about $365,000 per year.

- The estimated cost for maintenance/replacement of equipment is based on 3% of the construction value or $255,000 per year.

- Residuals and biosolids hauling and disposal is estimated at $220,000 per year. Chemical use is estimated at $250,000 per year. Laboratory and compliance monitoring costs are estimated at $220,000 per year.

Table 5 presents an outline of annual costs for each alternative. These costs will be used to compare 25-year present worth estimate for each alternative. Some of these are O&M costs for facilities that would be owned and operated by SFPUC, others are between the SFPUC and EBMUD.

Table 5. Estimated Annual O&M Cost for Four Treatment Alternatives, $Million

Alternative	Pipelines	Raw Sewage Pumping Station	Wastewater Treatment	Recycled Water Treatment or supply	Total
1. On-island wastewater and recycled water treatment	--	--	2.2[1]	.65[1]	2.85
2. On-island wastewater treatment and recycled water purchased from EBMUD.	0.04	--	2.2[1]	0.4[2]	2.64
3. Wastewater treatment at EBMUD, on-island recycled water treatment	0.1	0.5	1.5[4]	0.5[1,3]	2.6
4. Wastewater and recycled water treatment at EBMUD	0.1	0.5	1.5[4]	0.4[2]	2.5

Notes:

1. SFPUC O&M costs for treatment.
2. Estimated EBMUD contract cost.
3. Include O&M for pipelines.
4. An estimate of potential contract costs with EBMUD. This value is estimated based on a prorated factor from the SFPUC Sewer Service Charge, Schedule C, applied to the total projected potable water usage. The SFPUC Sewer Service Charge recovers the cost for the collection system and treatment. In this case, EBMUD would not be providing collection system services. Based on the State Water Resources Control Board annual survey of wastewater rates, the typical EBMUD wastewater customer pays about 50% of their fee for collection system and 50% for treatment. Therefore, 50% of the SFPUC rate was applied to the flow rate to estimate the contract rate.

Table 6. Estimated 25 Year Present Worth for Four Treatment Alternatives, $Million

Alternative	Total
On-island wastewater and recycled water treatment	76.5
On-island wastewater treatment and recycled water purchased from EBMUD.	70.4
Wastewater treatment at EBMUD, on-island recycled water treatment	68.1
Wastewater and recycled water treatment at EBMUD	62.7

1. Includes engineering and administration at 25% of construction cost.
2. Assumes a 25 year period
3. Assumes an inflation rate of 3% on labor
4. Assumes an interest rate of 4% based on 4 year average. Local Agency Investment Fund

Other Evaluation Considerations

There are several non-economic issues related to the location of the treatment facilities that need to be considered in the selection of the alternative. These include potential impacts on traffic, noise, odor, and visual aesthetics. Each of these is described briefly below.

- **Traffic**. On-island wastewater treatment will require 2 to 5 truck trips per day for the delivery of chemicals and the removal of sewage screenings and biosolids and/or disinfection and/or odor control chemicals. On-island recycled water treatment would likely add one or more truck trips per week for additional chemical delivery. The alternative that requires a pumping station to convey raw sewage to EBMUD could also require chemical delivery for an odor control system. However, it is possible that a biofilter, that would not require chemicals, could be used for odor control. A biofilter requires more space than a chemical odor control unit.

- **Noise.** Operating equipment and loading and unloading of trucks will generate noise in the vicinity of the on-site treatment facility and/or pumping station. A treatment plant is expected to generate more noise than a pumping station.

- **Odor**. Any wastewater conveyance or treatment facility presents the potential for odor issues. The facilities must be designed and operated with odor prevention and odor

control elements. There will often be some odor associated with these facilities, and "acceptable" levels of odor are very subjective. Treatment of wastewater at an off-island facility reduces the potential for local odor and transfers the odor control and treatment to a facility already equipped to do so.

- **Visual Aethestics**. An on-site treatment facility of the projected capacity will consume at least several acres of land. Typically, some form of visual screening will be desired or required. This may include architectural treatments, fencing, and landscaping. A pumping station associated with off-site treatment, which would be much smaller than a treatment plant, could also be designed to include some form of visual screening, including architectural treatments, fencing and landscaping. Architectural treatment or special landscaping has not been estimated into the facility construction cost.

Summary

The construction costs associated with development related wastewater and recycled water treatment and conveyance facilities have been estimated, along with annual operations and maintenance costs for each alternative. An estimate of potential contract costs with EBMUD was made based on SFPUC fees and a prorated factor based on the composition of EBMUD user fees. The 25-year present worth analysis indicates that treatment of wastewater and recycled water at the EBMUD facility is the lowest cost alternative. On-island treatment is the most expensive alternative. The absolute and relative present worth values may change when the contract numbers are received from EBMUD.

The construction and O&M costs associated with on-island treatment appear high on a per gallon basis when compared to other operating facilities in the Bay Area. This is attributed to the small size and remoteness of the on-island facilities, and the lack of economy of scale that is available at larger facilities such as the EBMUD MWWTP or SFPUC's Southeast Wastewater Treatment Plant. Other benefits of off-island treatment that are not quantified in the life cycle costs include reduced visual impact, truck traffic and odor potential on-island.

Notes

[Memorandum of Understanding with East Bay Utility District]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH EAST BAY MUNICIPAL UTILITY DISTRICT ("EBMUD") TO EXPLORE THE FEASIBILITY OF EBMUD PROVIDING WASTEWATER AND RECYCLED WATER SERVICE TO TREASURE ISLAND/YERBA BUENA ISLAND

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy real property located on the Base; and,

WHEREAS, In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad spectrum of community interests, was formed to: (i) review reuse planning efforts regarding the Base by the San Francisco Planning Department and the San Francisco Redevelopment Agency; and (ii) to make recommendations to the City's Planning

Commission and Board of Supervisors, and in July 1996, after an extensive community planning effort, a draft reuse plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of Supervisors, the Planning Commission and the CRC; and,

WHEREAS, The City forwarded the Reuse Plan to the Department of Defense in July 1996 to serve as the guiding document for the Navy and City in preparation of a joint Environmental Impact Statement/Environmental Impact Report (EIR/EIS) and the Reuse Plan serves as the basis for the Preliminary Redevelopment Plan for the Base; and,

WHEREAS, The conversion of the Base according to the goals and objectives of the Reuse Plan will require extensive coordination and large investments for new infrastructure; and,

WHEREAS, On June 14, 2000, the Authority authorized issuance of a Request For Qualifications for a Primary Developer of the Base ("RFQ"), and,

WHEREAS, On July 11, 2001, the Authority by resolution found that Treasure Island Community Development ("TICD") met the criteria set forth in the RFQ; and,

WHEREAS, On April 10, 2002, the Authority authorized staff to issue the focused RFP to TICD and, on July 2, 2002, TICD submitted its initial response to the focused RFP (the "Draft Proposal"), and,

WHEREAS, On January 2, 2003, TICD submitted its revised response to the RFP (the "Proposal") for the Authority's and the TI/YBI CAB's consideration; and,

WHEREAS, The TI/YBI CAB and its subcommittees held several meetings to review the Proposal and prepared and presented comments to the Authority Board; and,

WHEREAS, The Authority staff met both individually and collectively with a consultant team to evaluate the Proposal in the context of the evaluation criteria set forth in the RFP; and

WHERAS, On March 20, 2003, the Authority Board made a determination that TICD's Proposal met the criteria set forth in the RFP, and authorized the Authority's Executive Director to enter into exclusive negotiations with TICD regarding the redevelopment of the Base in a manner consistent with TICD's Proposal, the Staff Summary, the Reuse Plan, and the EIS/EIR, subject to the Authority's separate approval of an Exclusive Negotiating Agreement ("ENA"); and

WHEREAS, on April 9, 2003 the Authority passed a resolution authorizing the Executive Director to execute the ENA with TICD; and

WHEREAS, based on the review of the TICD development proposal by the TI/YBI CAB and Authority staff, the schedule of performance in the ENA identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan, and including among these studies, an evaluation of wastewater and recycled water treatment alternatives; and

WHEREAS, TICD contracted with Brown and Caldwell to conduct the evaluation and Authority staff reviewed and approved the scope of work for the study and Authority staff subsequently reviewed and provided comments on several drafts of the evaluation conducted by Brown and Caldwell; and

WHEREAS, Brown and Caldwell conducted an evaluation of two alternatives for wastewater and recycled water treatment, and on-island location generally located near

the existing wastewater treatment facility, and off-island treatment at the East Bay Municipal Utility District's Main Wastewater Treatment Plant ("EBMUD MWWTP"); and

WHEREAS, Brown and Caldwell and TICD presented the results of their findings to the TI/YBI CAB at the meeting of December 11, 2003 and the TI/YBI CAB discussed the evaluation at its January 15, 2004 meeting; and

WHEREAS, the evaluation indicates that off-island treatment of wastewater and recycled water is less expensive than on-island treatment alternatives; and

WHEREAS, Staff believes additional detailed analysis is necessary to fully evaluate the issues and costs associated with an off-island wastewater and recycled water treatment alternative; and

WHEREAS, the East Bay Municipal Utility District ("EBMUD") has expressed interest in partnering with the Authority to explore the feasibility of providing wastewater and recycled water treatment for the future development of Treasure Island/Yerba Buena Island; and

WHEREAS, the EBMUD and the Authority have prepared a Memorandum of Understanding ("MOU") that outlines the issues to be addressed as part of a feasibility analysis and the MOU sets forth the responsibilities of the respective parties; now be it

RESOLVED, That the Authority hereby approves and authorizes the Executive Director to Execute the MOU with EBMUD, in substantially the form attached hereto as Exhibit A, for the purpose of exploring the feasibility of off-island treatment of wastewater and recycled water ; and, be it

FURTHER RESOLVED, That the Authority authorizes the Executive Director to enter into modifications to the MOU (including, without limitation, the

attachment or modification of exhibits) that are in the best interests of the Authority and the City, do not materially change the terms of the Sublease, and are necessary and advisable to effectuate the purpose and intent of this resolution.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2004.

_____

William Fazande, Secretary

80000 SERIES
RECYCLED 30% P.C.W.

FINAL-DRAFT

MEMORANDUM OF UNDERSTANDING

WASTEWATER TREATMENT, RECYCLED WATER SERVICES PARTNERSHIP FOR TREASURE ISLAND AND YERBA BUENA ISLAND

This Memorandum of Understanding ("Agreement"), dated _____, is by and between the **EAST BAY MUNICIPAL UTILITY DISTRICT** ("DISTRICT"), a public entity, and the **TREASURE ISLAND DEVELOPMENT AUTHORITY** ("TIDA"), a California non-profit public benefit corporation (The "Parties", each a "Party" to this Agreement are DISTRICT and TIDA. Initially capitalized terms have the definition given them in Section I unless defined elsewhere in this Agreement.)

RECITALS

WHEREAS, DISTRICT has excess wastewater treatment capacity available at its existing Main Wastewater Treatment Plant ("Main WWTP") in Oakland, CA; and

WHEREAS, DISTRICT can supply recycled water from its existing Main WWTP; and

WHEREAS, TIDA has need for cost-effective, long-term wastewater treatment services for Yerba Buena Island and Treasure Island flows; and

WHEREAS, TIDA has need for recycled water at Yerba Buena Island and Treasure Island; and

WHEREAS, the City and County of San Francisco ("CCSF") currently provides wastewater service for Yerba Buena Island and Treasure Island, and has a need to replace the existing wastewater treatment plant in Treasure Island with a more reliable and cost-effective treatment facility; and

WHEREAS, the United States Department of Navy ("Navy") owns and occupies Treasure Island and is obligated to transfer ownership and/or other rights in conformance with the Base Realignment and Closure (BRAC) process; and

WHEREAS, the CCSF is scheduled to receive Treasure Island as part of the BRAC process; and

WHEREAS, the California Department of Transportation ("Caltrans") is designing the new east span of the San Francisco Oakland Bay Bridge ("SFOBB") and can install new pipelines to convey wastewater and recycled water; and

WHEREAS, Yerba Buena Island and Treasure Island are outside the DISTRICT's service area for water services and wastewater treatment services; and

WHEREAS, DISTRICT and TIDA provide various and diverse public services to the citizens of San Francisco and Oakland and surrounding communities and it is recognized that this Agreement may create a long-term partnership that is committed towards creating an ultimate outcome that enhances development opportunities at Treasure Island, promotes efficient use of existing infrastructure and provides strong regional, regulatory and financial benefits for the local communities; and

WHEREAS, TIDA agrees to explore the feasibility of a long-term contractual relationship with the DISTRICT to treat wastewater flows from Yerba Buena and Treasure Island; and

WHEREAS, TIDA agrees to explore the feasibility of a long-term contractual relationship with the DISTRICT to provide recycled water from the DISTRICT's facilities to Yerba Buena and Treasure Island; and

WHEREAS, the Parties see a mutual benefit to abiding by common duties and obligations of each Party in accordance with this Agreement.

NOW, THEREFORE THE PARTIES DO AGREE AS FOLLOWS:

A. Project Description

1. The Project includes evaluating the feasibility of conveying wastewater flows from the existing wastewater treatment plant in Treasure Island to the DISTRICT's existing Main WWTP in Oakland, evaluating the feasibility of conveying recycled water flows from the Main WWTP to Yerba Buena and Treasure Island, evaluating alternatives and identifying a preferred alignment, evaluating modifications to existing wastewater treatment plant, preparing initial environmental documentation, incorporating wet weather impacts, performing preliminary engineering studies, developing planning level design documents including a planning level cost estimate for design and construction. Following the signing of this Memorandum of Understanding, a 'Work Plan' will be prepared by the Parties and will include a detailed scope of work, a project schedule, and identify the Party responsible to perform each task. If the parties proceed with a construction project, capital costs for the Project will not include any costs related to the installation of pipelines on the anticipated new east span of the SFOBB.

B. Intention of Parties

1. If it is in the mutual interest of both parties, the DISTRICT and TIDA will form a service partnership whereby the DISTRICT provides wastewater treatment services and recycled water services on a contractual basis for Treasure Island and Yerba Buena.

2. If the parties proceed with a construction project, with the exception of the pipelines on the new east span of the SFOBB, it is the intention of the Parties that the DISTRICT will design, construct and own capital facilities needed to convey wastewater flows from the Treasure Island Wastewater Treatment Plant ("TIWTP") to the DISTRICT's Main WWTP in Oakland and the facilities needed to provide recycled water from the DISTRICT's Main WWTP to Yerba Buena Island with costs to be recouped through an annual capital charge to be included in the rate structure. The specific facilities of the system to be built will be defined during the feasibility study.

3. The DISTRICT intends to maintain ownership and operation of all wastewater and recycled water facilities constructed under this Project by the DISTRICT.

4. The DISTRICT intends to develop a fair and equitable rate structure for TIDA for wastewater treatment based on capital charges, treatment costs and other charges.

5. The DISTRICT intends to implement a fair and equitable rate structure for TIDA for recycled water services based on capital charges, treatment costs and other charges.

6. The Parties intend to develop a separate agreement that will address specific details of planning, pre-design, and design of all facilities needed for the Project. The separate agreement will address all aspects of planning, pre-design, and design, including the selection of consultants, environmental issues, and financial responsibilities.

7. Each Party is an equal partner under this Agreement. There shall be no lead agency and there shall be no Party authorized to act on behalf of the others unless expressly given that right in advance and in writing.

SECTION 3 – MISCELLANEOUS PROVISIONS

3.1 **Expenditures.** Each Party shall be solely responsible for payment of any expenditures incurred by that Party pursuant to its performance of any activities undertaken in accordance with this Memorandum of Understanding.

3.2 **Liability.** In performance of this Memorandum of Understanding, each Party, its agents, employees, and contractors shall act in an independent capacity and not as officers, employees, or agents of any other Party. No Party assumes any liability for the activities of another Party in performance of this Agreement. Each Party is responsible in proportion to fault for all liability, including but not limited to personal injury or property damage that may arise out of the Project, or which may arise out of its own actions under this Memorandum of Understanding,

except only such injury, damage, or loss caused solely by the negligence or willful misconduct of another Party, or its officers or employees.

3.3 **Termination.** Either Party at any time may terminate its participation in the activities covered by this Memorandum of Understanding, upon 30 days notice to the other Party.

3.4 **Integration.** This Agreement represents the entire agreement of the Parties with respect to the matters set forth herein. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein.

3.5 **Point of Contact.** Any notice, agreement, consent or approval which may be required or provided for under this Agreement shall be in writing, shall be effective when received, and shall be given by personal service, or by certified or registered mail, return receipt requested, to the primary point of contact as set forth below, or to such other addresses as are specified by notice given in such manner:

East Bay Municipal Utility District
375 11th Street
Oakland, CA 94607-4240
Attn: Ms. Maura A. Bonnarens. P.E.

Treasure Island Development Authority
410 Avenue of Palms
Treasure Island
San Francisco, CA 94130
Attn: Mr. Stephen Proud

Such personal delivery or mailing in such manner shall constitute a good, sufficient and lawful notice and service thereof in all such cases.

IN WITNESS WHEREOF, Parties have caused these presents to be executed on the signature dates written below.

This Agreement shall not be valid or effective for any purpose until it is signed by all four individuals below.

EAST BAY MUNICIPAL UTILITY DISTRICT

By:_____
Dennis M. Diemer,
General Manager

Approved as to form and legality:

By:_____
Office of the General Counsel

TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Annemarie Conroy
Executive Director

Approved as to form and legality:

By:_____
City Attorney

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Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation of Treasure Island Ferry Terminal Location Study Prepared by Treasure Island Community Development and Endorsement to Proceed with Land Use Planning in Context of Disposition and Development Agreement Negotiations with Treasure Island Community Development Based on a Future Ferry Terminal at the Pier One Site

Agenda Item No. 14
Meeting of February 11, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

On April 9, 2003 the Authority authorized the execution of an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development (TICD) for the redevelopment of former Naval Station Treasure Island. The ENA Schedule of Performance outlined a schedule regarding the negotiation and preparation of documents necessary to implement the redevelopment. Based on review of the TICD development proposal by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (TI/YBI CAB) and Authority staff, this Schedule of Performance identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan and agreement. An engineering evaluation of the location of the proposed ferry terminal on Treasure Island was one of the key studies outlined in the ENA.

TICD contracted with Concept Marine Associates, Inc. (CMA) to conduct the evaluation and Authority staff reviewed and approved the scope of work for the study. The findings of the evaluation were presented by CMA at the December 11, 2003 TI/YBI CAB meeting and the TI/YBI CAB discussed the evaluation at its January 15, 2004 meeting. The completed report is included as Attachment A.

SUMMARY OF EVALUATION

The study evaluated two potential ferry terminal locations: 1) the existing concrete Pier One located on the southeast corner of Treasure Island (Pier One); and, 2) a location near an existing wood pier along the western shoreline of Treasure Island (West Shore Pier). Each of the potential sites were evaluated for multiple issues, which are summarized below.

Dredging

Initial Construction: Neither of the sites are estimated to require dredging for the initial construction.

Maintenance Dredging: Maintenance dredging does not appear to be necessary for either site.

Coastal Protection

Currents: No advantage.

Wind and Wave: The West Shore Site is exposed to the direction of the predominant wind and wave attack (i.e., larger waves for more extended periods) and has increased exposure to storm events. Pier One has some exposure to storms, but is sheltered from the predominant wind and wave attack (i.e., smaller waves for shorter periods of time).

Protective Structures for Ferry Terminal: Consequently, the West Shore Site would require more substantial breakwater structures protecting the location from both the northwest and southwest while still maintaining a protected entrance to the ferry berth.

Slope Protection Along Island: No advantage.

Environmental Considerations

Navigation: Pier One would require a longer route that would pass offshore of boardsailing launch locations and closer to recreational boaters from the marina.

Wake Wash: There do not appear to be benefits of one site over another in terms of wake wash.

Water Resources: No advantage.

Biology: No advantage.

Land Use: Pier One would be within ¼ mile of the majority of commercial uses as currently proposed. Both locations would be within approximately ¾ mile of all residential uses as proposed.

Geology: No advantage.

Filling of Bay Waters: Pier One site would require less Bay fill overall and significantly less solid fill.

Probable Ferry Routes and Times

Pier One would require a longer route that would last approximately 6.5 minutes longer in one direction and 13 minutes longer roundtrip.

Preliminary Development Costs

Vessel Mooring System and Passenger Loading Platform (Access Dock): The Pier One site has the benefit of an existing pier that is structurally suitable to accommodate ferry terminal development. The West Shore Pier site would require new construction to provide the appropriate pier. The additional cost associated with the West Shore Pier location would be at least $1.5 million.

ADA Access: No advantage.

Passenger Staging Areas and Landside Facilities: The Pier One site has the benefit of an existing pier to provide the structure and surface for these facilities.

Utilities: No advantage.

Maintenance: The West Shore Pier site is expected to be subject to significantly greater maintenance associated with its exposure to increased wave action, wind and storm events. This would result in increased maintenance costs.

Breakwater: The West Shore Pier site will require a much more robust breakwater design, which is expected to cost at least $2 million more than an equivalent level of protection at the Pier One site.

Accessibility to Users

Pier One would be within ¼ mile of the majority of commercial uses as currently proposed. Both locations would be within approximately ¾ mile of all residential uses as proposed.

Additional Considerations

Operating Costs: Due to the longer route associated with travel between the San Francisco waterfront and the Pier One location, operating costs for the ferry service will be higher for the Pier One location (assuming an equal number of trips each day for either alternative location).

Ferry Service to East Bay Locations: While the evaluation conducted by Concept Marine was focused on ferry service between Treasure Island and the San Francisco waterfront, people traveling to/from Treasure Island may be just as likely to be traveling to/from the East Bay. Routes from Treasure Island to the East Bay have been identified for future service in the Water Transit Authority's (WTA) plans for expanded Bay Area commuter ferry service. In fact, while there is currently Muni bus service between Treasure Island and San Francisco, there is no direct bus service between Treasure Island and the East Bay. The most likely existing East Bay ferry terminal link to Treasure Island is at Oakland's Jack London Square. In this regard, the Pier One location is advantageous over the West Shore Pier site.

RECOMMENDATION/NEXT STEPS

While both ferry terminal location alternatives offer advantages and disadvantages, staff believes the Pier One site is advantageous for several key reasons.

1. Currently, there are no existing ferry terminal locations in the San Francisco Bay that are similarly exposed to wind and wave action represented by the West Shore Pier site. While it is possible to construct breakwater improvements that would mitigate much of this increased exposure, the improvements necessary to mitigate the exposure have substantial consequences, which are addressed below. Additionally, conversations with the WTA conducted by staff have indicated that, while ferry operations in an exposed location are possible, the WTA actually prefers a standard of more protected ferry structures for ferry terminal locations because it offers them increased flexibility in providing service.

2. The Pier One site would require significantly less bay fill than the West Shore Pier site, which staff believes to be a substantial environmental benefit. The evaluation indicates that the Pier One site would require only a floating breakwater, while the West Shore Pier site would require fixed breakwater structures protecting the location from several angles of wind and wave attack. Such structures would require a significant amount of new bay fill. The Bay Conservation and Development Commission's San Francisco Bay Plan states that "Filling and diking ... should therefore be allowed only for purposes providing substantial public benefits and only if there is no reasonable alternative." Staff believes that the Pier One alternative is not only reasonable, but preferable.

3. The Pier One site offers an existing structure from which to make improvements for the ferry berthing, which is large enough to accommodate more than one ferry vessel at a time. An engineering evaluation of Pier One was conducted in spring 2003 to determine that the pier was sufficiently structurally sound to allow a 40-ton crane to load America's Cup Class yachts to and from the water.

4. The upfront capital cost associated with constructing a ferry terminal is estimated to be at least $3.5 million less at the Pier One site. In addition, the report indicates that due to the West Shore Pier site's exposure to the prevailing wind and wave action, it is expected that maintenance costs at the West Shore Pier site would be significantly greater than at the Pier One site.

5. While the market has indicated that a theme park development is not likely to be feasible at Treasure Island, it is staff's opinion that TIDA remains committed to exploring the potential to create a regional destination centered around Pier One and the southern waterfront (including the hangars and Clipper Cove) as envisioned in the 1996 Naval Station Treasure Island Reuse Plan. Staff believes that providing ferry service to the heart of this location is essential to creating a viable destination.

6. The Pier One site is the proposed ferry terminal location evaluated in the WTA's Program Environmental Impact Report issued in June 2003 to support expanded commuter ferry service in the San Francisco Bay Area.

Staff acknowledges that there are concerns by the public and the CAB on several issues, including the importance of maintaining a line of sight link between the San Francisco Ferry Terminal and a future terminal at Treasure Island, increased route and operating costs, and potential disruption of recreational boats and boardsailors. However, staff believes that the advantages of the Pier One location outlined previously outweigh these concerns, many of which can be mitigated.

For these reasons, staff recommends that the Board endorse a decision to proceed with land use planning within the context of the development negotiations with TICD based on a primary future ferry terminal located at the Pier One site.

[Endorsement to Proceed with Planning for Ferry Terminal at Pier One Site]

ENDORSING PROCEEDING WITH LAND USE PLANNING IN CONTEXT OF DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) NEGOTIATIONS WITH TREASURE ISLAND COMMUNITY DEVELOPMENT BASED ON A FUTURE FERRY TERMINAL AT THE PIER ONE SITE.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy real property located on the Base; and,

WHEREAS, In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad spectrum of community interests, was formed to: (i) review reuse planning efforts regarding the Base by the San Francisco Planning Department and the San Francisco Redevelopment Agency; and (ii) to make recommendations to the City's Planning

Commission and Board of Supervisors, and in July 1996, after an extensive community planning effort, a draft reuse plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of Supervisors, the Planning Commission and the CRC; and,

WHEREAS, The City forwarded the Reuse Plan to the Department of Defense in July 1996 to serve as the guiding document for the Navy and City in preparation of a joint Environmental Impact Statement/Environmental Impact Report (EIR/EIS) and the Reuse Plan serves as the basis for the Preliminary Redevelopment Plan for the Base; and,

WHEREAS, The conversion of the Base according to the goals and objectives of the Reuse Plan will require extensive coordination and large investments for new infrastructure; and,

WHEREAS, On June 14, 2000, the Authority authorized issuance of a Request For Qualifications for a Primary Developer of the Base ("RFQ"), and,

WHEREAS, On July 11, 2001, the Authority by resolution found that Treasure Island Community Development (TICD) met the criteria set forth in the RFQ; and,

WHEREAS, On April 10, 2002, the Authority authorized staff to issue the focused RFP to TICD and, on July 2, 2002, TICD submitted its initial response to the focused RFP (the "Draft Proposal"), and,

WHEREAS, On January 2, 2003, TICD submitted its revised response to the RFP (the "Proposal") for the Authority's and the Treasure Island/Yerba Buena Island Citizen's Advisory Board's ("TI/YBI CAB") consideration; and,

WHEREAS, The TI/YBI CAB and its subcommittees held several meetings to review the Proposal and prepared and presented comments to the Authority Board; and,

WHEREAS, The Authority staff met both individually and collectively with a consultant team to evaluate the Proposal in the context of the evaluation criteria set forth in the RFP; and

WHEREAS, On March 20, 2003, the Authority Board made a determination that TICD's Proposal met the criteria set forth in the RFP, and authorized the Authority's Executive Director to enter into exclusive negotiations with TICD regarding the redevelopment of the Base in a manner consistent with TICD's Proposal, the Staff Summary, the Reuse Plan, and the EIS/EIR, subject to the Authority's separate approval of an Exclusive Negotiating Agreement ("ENA"); and

WHEREAS, on April 9, 2003 the Authority passed a resolution authorizing the Executive Director to execute the ENA with TICD; and

WHEREAS, based on the review of the TICD development proposal by the TI/YBI CAB and Authority staff, the schedule of performance in the ENA identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan, and including among these studies, an engineering evaluation of the location of the proposed ferry terminal on Treasure Island; and

WHEREAS, TICD contracted with Concept Marine Associates, Inc. (CMA) to conduct the evaluation and Authority staff reviewed and approved the scope of work for the study and Authority staff subsequently reviewed and provided comments on several drafts of the evaluation conducted by CMA; and

WHEREAS, CMA conducted an evaluation comparing the relative challenges and benefits associated with two alternative ferry terminal locations at Treasure Island referred to as the Pier One site and the West Shore Pier site based on criteria including dredging, coastal protection, environmental considerations, probable ferry routes, preliminary development costs and accessibility to users; and

WHEREAS, CMA and TICD presented the results of their findings to the TI/YBI CAB at the meeting of December 11, 2003 and the TI/YBI CAB discussed the evaluation at its January 15, 2004 meeting; and

WHEREAS, the evaluation indicates that there are several benefits and challenges associated with each of the alternative ferry terminal locations; and

WHEREAS, Authority staff believe that the benefits associated with locating a ferry terminal at the Pier One site outweigh the benefits associated with locating a ferry terminal at the West Shore Pier site, including among other key benefits (1) increased protection from wind and wave attack and storm events, (2) significantly reduced need for new bay fill, (3) ability to reuse an existing, structurally sound pier, (4) significantly reduced upfront capital costs and ongoing maintenance costs, (5) increased viability of a regional destination centered around Pier One and Clipper Cove as envisioned in the 1996 Reuse Plan, and (6) recognition that the Pier One location is the proposed ferry terminal location scoped in the Program EIR document prepared by the Water Transit Authority in June 2003 in support of expanding Bay Area commuter ferry service;

Now, therefore, in light of the foregoing recitals, be it

RESOLVED, That the Board of Directors hereby endorses that the Executive Director proceed with land use planning in the context of DDA negotiations with TICD based on a future ferry terminal at the Pier One location.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2004.

_____

William Fazande

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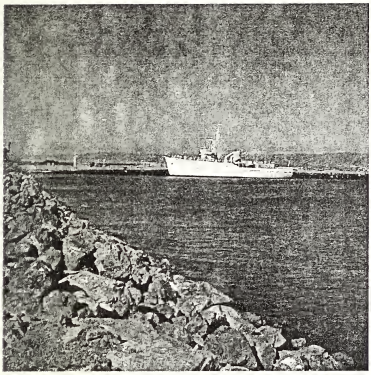
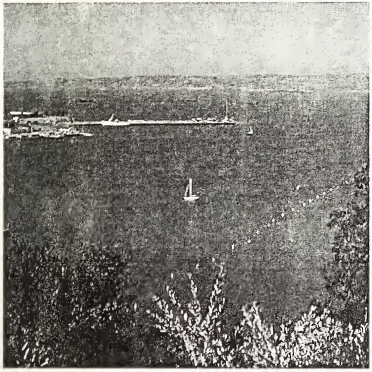
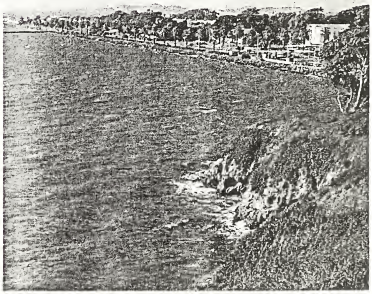


Treasure Island
Ferry Terminal Location Study

November 2003





Prepared by:

Concept Marine Associates, Inc.

TREASURE ISLAND

FERRY TERMINAL LOCATION STUDY

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TREASURE ISLAND

FERRY TERMINAL LOCATION STUDY

I. BACKGROUND

Concept Marine Associates, Inc., (CMA) has been hired to perform an engineering study of two sites on Treasure Island proper for ferry service to/from former Naval Station Treasure Island. The first site evaluated is located on an existing pier known as Pier One, situated at the southeast corner of Treasure Island (Pier One). The second site evaluated is located near an existing wood pier along the western shoreline of Treasure Island (West Shore Pier). See Figure 1 for locations.

During the course of our evaluation, discussions were held with the Water Transit Authority (WTA) and the San Francisco Bay Conservation and Development Commission (BCDC) to obtain information pertaining to Treasure Island and the proposed plans for the San Francisco Bay ferry transportation system, including, but not limited to, environmental issues, permitting issues, ferry vessel and terminal designs, and operational concerns. Additional information related to wind, ferries, ferry terminals and the development plans for the island was obtained from the WTA, National Oceanic and Atmospheric Administration (NOAA), internal research, and other government and public records. A bibliography of resources is included for additional references.

II. SITE DESCRIPTIONS

Former Naval Station Treasure Island is comprised of two islands in the San Francisco Bay (Bay). Treasure Island (TI) is an artificial island constructed in 1936 and 1937 for the initial purpose of hosting the Golden Gate International Exposition. Following the Exposition, Treasure Island was converted into Naval Station Treasure Island (NSTI). Yerba Buena Island (YBI) is a natural island in the San Francisco Bay. It has been in the hands of the United States Government and used primarily for defense purposes from 1867 until the closing of NSTI was authorized in 1993, with Naval operations on TI and YBI continuing until 1997. Collectively, these two islands will be referred to as Treasure Island.

TI is attached to YBI by a narrow stretch of land at the southwest corner of TI, which provides the only vehicular access to TI. The proposed redevelopment of Treasure Island has identified the benefit of ferry service as a primary mode of transit. As previously mentioned, two sites, the Pier One site and West Shore site, are being evaluated as potential locations for this service. See the aerial photograph below in Figure 1 for a depiction of the sites.

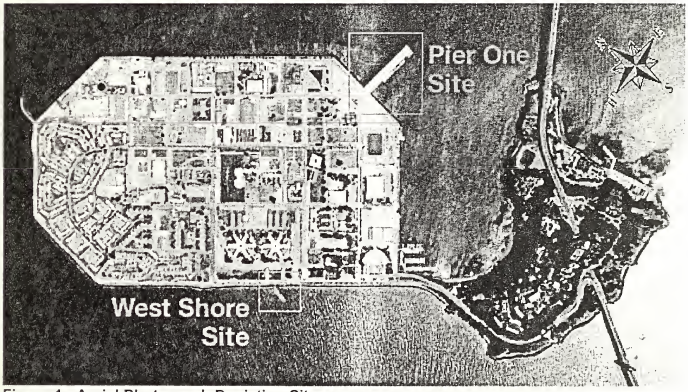


Figure 1: Aerial Photograph Depicting Sites

A. PIER ONE SITE

The Pier One site is located at the southeastern corner of TI. The predominant feature in this area is Pier One, which extends approximately 930 feet into the Bay in a southeasterly direction at the mouth of Clipper Cove. Observations of Pier One revealed a concrete deck and pile structure that appeared to be in good condition. The pier is still being utilized for moorage, as well as for on-deck storage and launching (via a crane) of professional sailing yachts, which confirms the observation that the pier remains a sound structure. The shoreline in this area is armored with rock revetment, as is the remainder of TI. See the photograph of this site that follows in Figure 2.

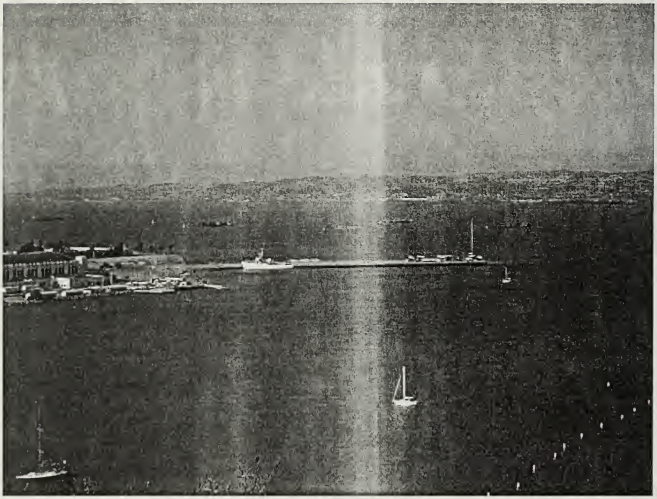


Figure 2: Photograph of Pier One Site

B. WEST PIER SITE

This site is located along the western shoreline of TI, as the name suggests, and can be identified by the old wood pier that is present. The pier extends to the southwest towards San Francisco and is approximately 250 feet long. The pier is currently closed due to the obvious decay of the structure that has caused it to be unsafe for public access. These

conditions result in the conclusion that this structure would be unsuitable as a staging area for a ferry service and would require removal and replacement or significant renovation. The shoreline in this area is also armored with rock revetment, which appears to be stable. See the photograph that follows in Figure 3.

Figure 3: Photograph of the West Shore Pier Site

III. EVALUATION OF ISSUES

During the course of CMA's evaluation, numerous issues were identified relative to the development of ferry service and a ferry terminal at Treasure Island, including construction dredging, maintenance dredging, coastal protection, wind data and impacts, environmental considerations, ferry routes, preliminary development costs for waterside facilities and accessibility to users. Our evaluation assumed that ferry service to and from Treasure Island would take place with up to 3 ferry vessels handling up to149 passengers each. Although the final development plan has not yet been approved, a majority of the analyses and conclusions set forth here will be applicable regardless of the final development plan. The issues identified during the course of our evaluation are discussed below.

A. DREDGING:

Current design criteria for ferry vessels with a capacity for 149 passengers set the draft at approximately 4 feet, with future projected drafts being as large as 8 feet. In order to allow adequate clearance from the bathymetry, operating depths typically need to exceed the draft by 4 to 6 feet, resulting in an overall depth requirement ranging from 8 to 14 feet. In order to conservatively accommodate extreme low tide events, a minimum water depth of 14 feet using the Mean Lower Low Water (MLLW) level as the vertical datum has been established for this evaluation. In order to evaluate the two sites, the NOAA Navigational Chart dated in the year 1998 was utilized.

1. Initial Construction: Review of the Pier One site using the NOAA Navigational Chart revealed sufficient water depths along over 80% of Pier One. See Figure 4 for a portion of the navigation chart showing the depths surrounding the pier. The figure shows the 20-foot depth contour extending along the end of the southern side of the pier and then ending about 3/4 of the way down the pier. Depths in excess of 10 feet appear to extend landward along the pier from the 20-foot depth contour to the toe of the rock revetment along the shoreline. As a result, initial construction dredging does not appear to be needed for ferry service to be located at Pier One. Additionally, because Pier One is in place, new bay fill would only be needed for the construction of the ferry berth/access dock and a possible breakwater. See the coastal protection and environmental considerations sections for more information regarding breakwaters and bay fill, respectively.

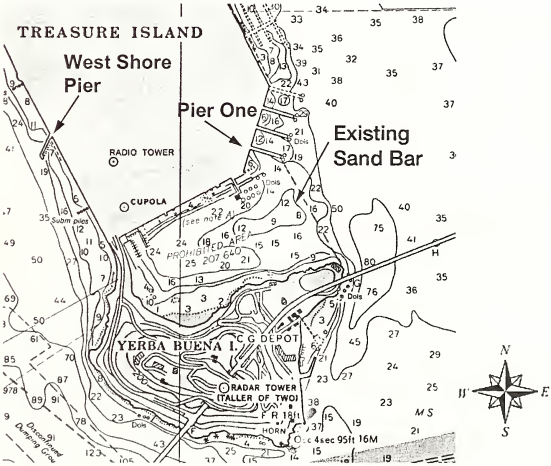
   The West Shore site also appears to have sufficient water depths to allow construction of the ferry berths without dredging. However, since no reliable pier is present to provide ferry boat berthing for three vessels at this location, a pier will be needed to extend over the existing rock revetment slope and into deep water resulting in increased bay fill and higher costs.

2. Maintenance Dredging: Utilizing the NOAA Navigational Chart, we have determined that there do not appear to be any maintenance dredging issues at

the presumed entrance to the Pier One ferry berthing terminal. Depths are generally in the range of 14 feet to 22 feet, more than sufficient to handle the drafts of ferry vessels contemplated for use at Treasure Island.

There is, however, an area of shallow water over a sand bar located to the west of the main ferry vessel entrance to Pier One, which will in all likelihood require some maintenance dredging in the years ahead. See the Navigation Chart that follows. The location of this area of shallow water, however, should not impact ferries entering or leaving Pier One, as it is not within the anticipated path of ferry travel.

Figure 4: Navigation Chart showing the Water Depths at the Piers and Existing Sand Bar



The Treasure Island Marina project is also working on the issue of maintenance dredging of this sand bar location, and it is recommend that all of the parties, (City, Ferry Service, Marina, WTA and other regional agencies) work together on dealing with this issue.

Evaluation of the West Shore site reveals the presence of strong currents and a steep offshore slope, indicating that significant sedimentation is unlikely to occur. Therefore, maintenance dredging should not be a concern for this site,

particularly if the facility were to be extended into the existing deep water without reconfiguration of the shoreline.

If breakwaters are proposed at either of the sites, consideration should be given to the potential for increased sedimentation in the lee of the structure due to decreased wave and current energy. Installation of a floating breakwater can help to minimize this effect, since a majority of sediment transport at both locations is likely to be current driven. Wave induced sediment transport is not anticipated to be a significant contributor, due to the presence of hardened shorelines and water depths exceeding the pinch-out depth (depth to which a wave of a given height can influence bathymetric motions) for waves in these areas.

B. COASTAL PROTECTION:

1. Currents: Structures developed along a shoreline require varying levels of coastal protection, depending upon their exposure to wind, waves, tides and currents. Although tides and currents will be important considerations when developing the design for the preferred location, the tidal range and current velocities at the two sites are almost the same and, therefore, do not promote one site over the other. See the current velocity tables that follow.

Table 1 – Currents near West Shore Pier
O.2 mile west of Treasure Island from September 5, 2003, to September 5, 2004, 12:00 am to 11:59 pm
Flood Currents with value GREATER or EQUAL to 2.3 knots

	Event Time	Value
1	Sun, 11-23-2003, 9:11 pm	2.3 kt
2	Mon, 11-24-2003, 10:04 pm	2.3 kt
3	Mon, 12-22-2003, 9:02 pm	2.3 kt
4	Tues, 12-23-2003, 9:54 pm	2.3 kt
5	Wed, 05-05-2004, 10:47 am	2.3 kt
6	Wed, 06-02-2004, 9:50 am	2.3 kt
7	Thu, 06-03-2004, 10:40 am	2.4 kt
8	Fri, 06-04-2004, 11:31 am	2.3 kt
9	Thu, 07-01-2004, 9:43 am	2.3 kt
10	Fri, 07-02-2004, 10:33 am	2.4 kt
11	Sat, 07-03-2004, 11:21 am	2.4 kt
12	Sun, 07-04-2004, 12:09 pm	2.3 kt
13	Sat, 07-31-2004, 10:21 am	2.3 kt
14	Sun, 08-01-2004, 11:04 am	2.3 kt

Table 2 – Currents near Pier One
O.3 mile east of Treasure Island from September 5, 2003, to September 5, 2004, 12:00 am to 11:59 pm
Flood Currents with value GREATER or EQUAL to 2.3 knots

	Event Time	Value
1	Sun, 11-23-2003, 9:37 pm	2.3 kt
2	Mon, 11-24-2003, 10:30 pm	2.3 kt
3	Mon, 12-22-2003, 9:28 pm	2.3 kt
4	Tues, 12-23-2003, 10:20 pm	2.3 kt
5	Wed, 05-05-2004, 11:13 am	2.3 kt
6	Wed, 06-02-2004, 10:16 am	2.3 kt
7	Thu, 06-03-2004, 11:06 am	2.4 kt
8	Fri, 06-04-2004, 11:57 am	2.3 kt
9	Thu, 07-01-2004, 10:09 am	2.3 kt
10	Fri, 07-02-2004, 10:59 am	2.4 kt
11	Sat, 07-03-2004, 11:47 am	2.4 kt
12	Sun, 07-04-2004, 12:35 pm	2.3 kt
13	Sat, 07-31-2004, 10:47 am	2.3 kt
14	Sun, 08-01-2004, 11:30 am	2.3 kt

2. Wind and Wave: Although wind does have the capability to transport water and chlorides through mist and fog, the primary impact of wind on coastal structure is its ability to generate waves that can impact a structure. Due to the configuration of the Golden Gate Bridge, and associated headlands and islands within the Bay (particularly Alcatraz), Treasure Island is sheltered from large swells generated in the Pacific Ocean. As a result, locally generated wind-waves and boat wake are the primary contributors to wave action at the two sites. Since boat wake is periodic in frequency and difficult to quantify, this study will focus on wind-waves as the design wave type to be considered at the two sites. In order to perform this evaluation, historical maximum wind data was obtained from the National Climatic Data Center (NCDC), and wind roses were obtained for Oakland International Airport (OAK) and San Francisco International Airport (SFO) for the period from 1997 to 2001. The maximum wind events were obtained to evaluate storm events at the sites and the wind roses were obtained to provide predominant wind patterns and storm event frequencies at each site. See Figures 5 – 12 that follow for the OAK and SFO wind roses. In general, the figures show that the predominant wind comes from the west, with maximum wind events being recorded primarily from westerly directions but also recorded periodically from southerly and northerly directions. The following will evaluate the exposure of the two sites to wind. For the purposes of this evaluation, exposure is defined as those directions from which winds can generate waves at the site of interest.

Due to the orientation of the Pier One site, it is sheltered from the predominant winds from the west. Conversely, the West Shore site is exposed to the predominant winds from the west. This causes the West Shore site to be heavily impacted by wind generated waves from the west, resulting in the need for more durable coastal protection than the Pier One site. See the Breakwaters section that follows for additional discussion of the needs for coastal protective structures at the sites.

Both sites are partially sheltered from waves from the north. However, the West Shore site becomes exposed when the winds come from a northwesterly direction, while the Pier One site is sheltered from the northwest. Conversely, the Pier One site becomes exposed to winds from the northeast, while the West Shore site is sheltered. This again presents a problem for the West Shore site due to the potential for occasional significant wind events from the northwest, while winds from the northeast, which could affect the Pier One site, are very rare.

The Pier One and West Shore sites are both exposed to winds from the south. However, Pier One's exposure is primarily from the southeast through the eastern span of the Bay Bridge, with minimal exposure to winds from the south and southwest. The West Shore's exposure is both from the south and southwest. The frequency and magnitude of winds from the southeast and

southwest are relatively similar; however, an increased exposure of the West Shore site to the south again results in a more significant exposure for this location compared to the Pier One site.

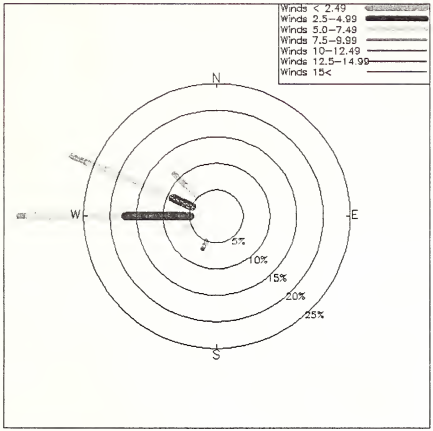
The only direction from which the Pier One site is exposed and the West Shore site is sheltered is the east. However, the lack of recorded winds from this direction eliminates it as a concern for Pier One.

As previously mentioned, a major concern for coastal development relating to wind is the generation of waves and the resulting impacts to coastal structures. In order for a wind to generate a wave of significant magnitude, there must be adequate fetch (distance over open water) and the wind must last for a sufficient duration (period of time) to generate and propagate waves. In general, the greater the values of sustained wind speed, fetch, and duration will result in larger waves being generated.

With respect to the Pier One site, the evaluation of the wind climatology for the area and the exposure of the site to sufficient fetch to generate waves indicated exposure of the site from the south, southeast, and southwest. Utilizing both the typical wind events and maximum wind events from this direction, wave height calculations were preformed for the Pier One site. See Table 3 that follows for the input data and findings of these calculations. The calculated typical wave height from the southeast, south, and southwest were computed to be 1.5 feet, 0.6 feet and 1 foot, respectively. The severe wave heights were found to be 4.3 feet from the southeast, 1.7 feet from the south, and 2.0 feet from the southwest. The higher values, both typical and maximum, found from the southeast are a result of a significantly larger fetch (almost four times larger) from this direction. It should be noted that, although the 1.5 foot wave is called a typical wave height for this site, due to the likelihood of it occurring occasionally on an annual basis, it should not be compared to typical waves from the predominant wind direction (west) which can occur weekly or even daily (as at the West Shore site).

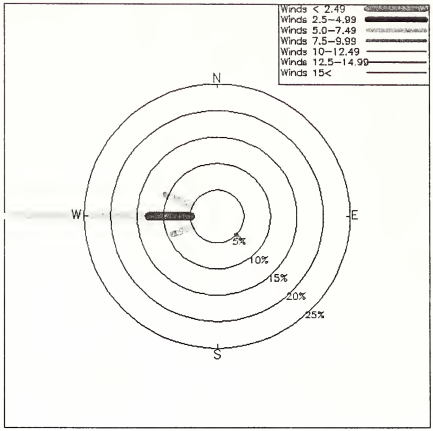
Figures 5 and 6: Oakland Airport Wind Roses for Fall and Spring

OAK, Fall (Sep, Oct, Nov) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (170 reports)

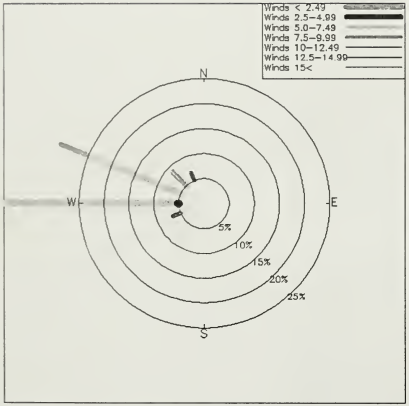
OAK, Spring (Mar, Apr, May) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (133 reports)

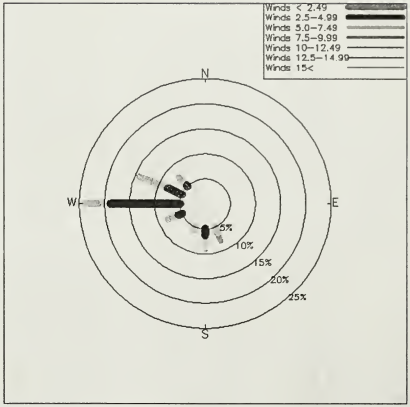
Figures 7 and 8: Oakland Airport Wind roses for Summer and Winter

OAK, Summer (Jun, Jul, Aug) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (136 reports)

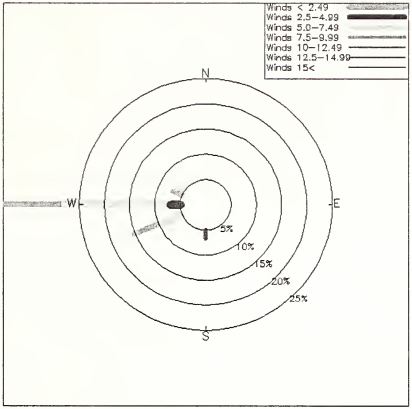
OAK, Winter (Dec, Jan, Feb) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (176 reports)

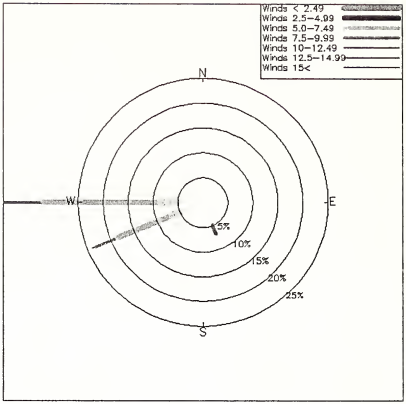
Figures 9 and 10: San Francisco Airport Wind Roses for Fall and Spring

SFO, Fall (Sep, Oct, Nov) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (204 reports)

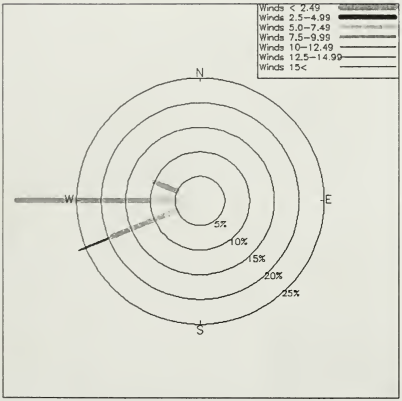
SFO, Spring (Mar, Apr, May) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (163 reports)

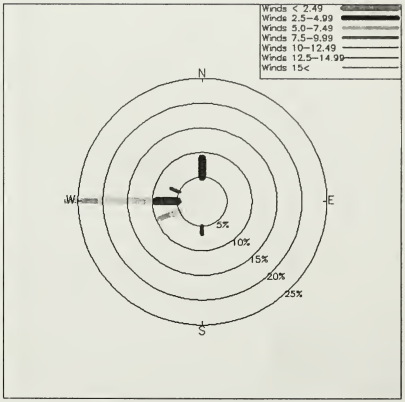
Figures 11 and 12: San Francisco Airport Wind Roses for Summer and Winter

SFO, Summer (Jun, Jul, Aug) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (140 reports)

SFO, Winter (Dec, Jan, Feb) 1997–2001 at 0000 (UTC)



Wind speeds in m/s (172 reports)

Table 3: Calculated Wind Generated Wave Heights - Pier One Site

Typical Climatology

Wind Direction (From)	Typical[1] Recorded Wind Speed (MPH)	Wind-Stress Factor (MPH)	Fetch (mi)	Fetch Limited Wave Height (ft)	Period (sec.)	Required Time/Duration (hr.)
West	19.6	22.89	0	0.00	0.00	0.00
Northwest	19.6	22.89	0	0.00	0.00	0.00
North	14	15.13	0	0.00	0.00	0.00
Northeast	0	0.00	3.8	0.00	0.00	N/A
East	0	0.00	2.4	0.00	0.00	N/A
Southeast	25	30.87	2.5	1.47	2.38	0.94
South	25	30.87	0.4	0.59	1.29	0.28
Southwest	33.5	44.25	.55	0.99	1.62	0.30

Severe Event

Wind Direction (From)	Extreme[2] Wind Speed (MPH)	Wind-Stress Factor (MPH)	Fetch (mi)	Fetch Limited Wave Height (ft)	Period (sec.)	Required Time/Duration (hr.)
West	60	90.62	0	0.00	0.00	0.00
Northwest	60	90.62	0	0.00	0.00	0.00
North	60	90.62	0	0.00	0.00	0.00
Northeast	0	0.00	3.8	0.00	0.00	N/A
East	0	0.00	2.4	0.00	0.00	N/A
Southeast	60	90.62	2.5	4.31	3.41	0.66
South	60	90.62	0.4	1.73	1.85	0.19
Southwest	60	90.62	0.55	2.02	2.06	0.24

Notes:

1. Typical wind speeds taken from wind roses compiled from 1997 through 2001 for Oakland International and SFO.
2. Extreme wind events obtained from the National Climatic Data Center. 60 mph winds are typically associated with a 100 Year storm event in the Bay Area

In comparison, the West Shore site is exposed to more potential wind directions that also have larger fetches over which waves can propagate. See Table 4 that follows. This results in the potential for larger waves to impact the site. Typical wave heights at the West Pier site can be as high as 1.6 feet to 2.1 feet, while extreme wave events were as high as 6.85 feet. Although the typical wave heights were not significantly higher at the West Pier site than the Pier One site, the typical waves at the West Shore site occur at a much greater frequency than those at the Pier One site. This is due to West Shore site's exposure to the predominant winds from the west, as well as to a larger array of wind directions, while the Pier One site is exposed only to winds from a southerly direction. The magnitude of this significant negative impact to the West Pier site can be seen on the wind roses by comparing the length of the lines from each direction. The longer lines represent a higher percentage of occurrences from that direction.

Table 4: Calculated Wind Generated Wave Heights - West Shore Site

Typical Climatology

Wind Direction (From)	Typical[1] Recorded Wind Speed (MPH)	Wind-Stress Factor (MPH)	Fetch (mi)	Fetch Limited Wave Height (ft)	Period (sec.)	Required Time/Duration (hr.)
West	19.6	22.89	5.7	1.64	2.84	1.80
Northwest	19.6	22.89	6.3	1.73	2.93	1.93
North	14	15.13	0	0.00	0.00	0.00
Northeast	0	0.00	0	0.00	0.00	N/A
East	0	0.00	0	0.00	0.00	N/A
Southeast	25	30.87	0	0.00	0.00	0.00
South	25	30.87	5.05	2.09	3.01	1.50
Southwest	33.5	44.25	2.05	1.91	2.51	0.73

Severe Event

Wind Direction (From)	Extreme[2] Wind Speed (MPH)	Wind-Stress Factor (MPH)	Fetch (mi)	Fetch Limited Wave Height (ft)	Period (sec.)	Required Time/Duration (hr.)
West	60	90.62	5.7	6.51	4.49	1.14
Northwest	60	90.62	6.3	**6.85**	4.64	1.22
North	60	90.62	0	0.00	0.00	0.00
Northeast	0	0.00	0	0.00	0.00	N/A
East	0	0.00	0	0.00	0.00	N/A
Southeast	60	90.62	0	0.00	0.00	0.00
South	60	90.62	5.05	6.13	4.31	1.05
Southwest	60	90.62	2.05	3.91	3.19	0.58

Notes:

1. Typical wind speeds taken from wind roses compiled from 1997 through 2001 for Oakland International and SFO.
2. Extreme wind events obtained from the National Climatic Data Center. 60 mph winds are typically associated with a 100 Year storm event in the Bay Area

The maximum wave heights also present a problem for the West Shore site in comparison to the Pier One site. Not only are they of greater magnitude due to the larger fetch lengths present at the West Shore site, but the wind roses indicate that the frequency of the higher wind speeds that can impact the West Shore is greater than that at Pier One. In addition, the increase in the number of directions from which those storms can propagate over a significant fetch to generate severe waves at the West Shore site increases the probability of such an event occurring. This increase in frequency and magnitude will result in the need for larger and more durable protective structures at the West Shore to reduce wave energy to levels that will allow ferry operations as well as comfort and safety for passengers during loading and unloading.

3. Protective Structures for Ferry Terminal: Due to the varying wave climates found at the Pier One and West Shore sites, different levels of protection from wave attack will be needed. The West Shore site is subject to frequent wave attack, due to its exposure to the predominant winds from the west. It also has a larger fetch from these directions, which results in larger waves being incident upon this shore and potential ferry berth facilities. Predicted wave heights at this site were found to be as high as 6.85 feet during severe events and range form 1.5 feet to 2 feet on a weekly basis. This exceeds the conditions under which a floating breakwater can provide effective and economical protection from wave energy. Therefore, a fixed breakwater system will be needed at this site to provide safe ferry operations. Conversely, the Pier One site was found to have a calculated severe wave height of 4.3 feet, which has been found to have a 50 to 100 year return period and waves as large as 1.5 feet on an annual basis. If ferry operations are considered under such conditions, and if protection of the ferry terminal is determined to be needed for passenger comfort and safety, a floating breakwater system would be possible at this site. Since the Pier One site is sheltered from the predominant wind and wave direction, the maintenance needs of a breakwater system, if necessary, would be minimized.

   The cost of the fixed structure at the West Shore could be as much as ten times greater than that of a floating breakwater of equal size at Pier One. In addition, the West Shore site is subject to waves from more directions, resulting in the need for a combination of structures to protect the site from both the northwest and southwest while still maintaining a protected entrance to a ferry berth. The Pier One site may only need periodic protection from waves from the southeast, which will greatly lessen the length of structure possibly needed at this site compared to that at the West Shore. This will further reduce the cost for coastal protection at the Pier One site.

4. Slope Protection along Island: Inspection of the shoreline surrounding the two sites revealed the presence of rock revetment slopes. No signs of erosion or instability were noted at either of the two sites. A discussion with a local geotechnical firm revealed the presence of liquefiable soils underlying TI, which could threaten the stability of the revetment and structures on the island during seismic events, depending on the magnitude of the event. As a part of the future redevelopment of TI, plans call for the installation of cement columns around the perimeter of TI just inside the rock revetment to improve the seismic performance of these soils in the event of an earthquake. However, some liquefiable soils may still be present within the soils underlying the revetment following redevelopment that could cause damage to the slopes outside of the cement columns during an earthquake. Repair of such damage may require the placement of additional rock.

C. ENVIRONMENTAL CONSIDERATIONS:

Independent research and conversations with relevant regional regulatory staff identified a number of environmental concerns pertaining to ferry use, ferry terminal development and the associated permit requirements. The following is a list of the potential concerns for such a development:

1. Navigation: Navigation within the San Francisco Bay consists of commercial, military and recreational uses that combine to form a vital part of the Bay Area economy. As a part of the vessels navigating the Bay, additional ferries and the associated trips to and from destinations will increase congestion within the Bay and within navigation channels which are monitored by the United States Coast Guard (USCG) (located on YBI) and regulated by federal, state and local regulations and codes. Three impacts have been identified with increased ferry service, which will be evaluated with respect to the Pier One and West Shore sites on TI.

   The first is an increase in navigational incidents, including accidents involving collision, near collisions, and groundings. Since the Pier One site will require a longer travel distance, there is some increase in the potential for an incident to occur. However, as determined by the Final Program Environmental Impact Report (WTA EIR) for the Expansion of Ferry Transit Service in the San Francisco Bay Area prepared for the Water Transit Authority in 2003, the increase in ferry incidents as a result of increased ferry trips is dominated by interactions between ferries. It has also been found that an increase in vessel traffic does not correlate with increased navigational incidents in harbors around the country. The WTA EIR also provides a list of best practices to meet or exceed USCG requirements and minimize the risk of incidents. Considering this information, the increase in trip length for the Pier One site does not correlate with an increase in risk of a navigational incident.

   The second impact identified for ferry transit is an increase in the risk of incidents (collisions or near misses) between recreational water users (wind surfers) and ferries. Since the route proposed for the Pier One site passes by a launch location for wind surfers (located on the north end of TI, just inside the half moon shaped breakwater along this shoreline, which can be seen on Figure 1), a potential increased risk of an incident from the Pier One site could be identified. However, the WTA EIR revealed the fact that no incidents between ferries and windsurfers have been reported. The report also provides mitigation measures for this impact, including appropriate training of crew, awareness of wind surfing launch locations, and the addition of specific ferry employees to stand watch for potential navigational hazards including wind surfers. Given that these measures are employed for ferry service at TI, and that no incidents have been recorded to date, the significance of the risk posed by the longer Pier One route appears to be minimal.

   The final impact to navigation for ferry transits is an increased risk of collision with recreational boaters. Again, the Pier One site could present an increased risk of such an incident over the West Shore site due to the longer trip length and its position at the entrance to Clipper Cove, which is occupied by a recreational marina. This risk can be offset by the designation of specific ferry employees to stand watch for navigational hazards and by making users of the marina aware of the ferry operations.

2. Wake Wash: As ferries travel, a wave is produced due to the displacement of water as the vessel moves along its route of travel. This wave, or wake, can then propagate to

adjoining shorelines and/or structures and have an impact. Potential impacts can include increased erosion and inundation or disturbance of environmentally sensitive species. Evaluation of the two sites indicated no significant impacts from wake wash.

Although the Pier One site exposes a significantly larger length of shoreline to potential erosion and disturbances, the shoreline along Treasure Island is heavily armored or composed of rock (as is the case along YBI across from Pier One) and would, therefore, experience no measurable impact as a result of the increased wave energy. The only area of concern is the shoreline along Emeryville and Berkeley. Although armoring is present in areas, potentially sensitive tidal flats and tidal marshes that are occupied by the environmentally sensitive California clapper rail exist as well. However, these shorelines are sufficiently distant from the proposed route of travel for ferry service at Treasure Island and the wake will have dissipated sufficiently to have no impact along these shores.

The West Shore site exposes a portion of undeveloped land along YBI that could not be inspected for potential sensitivity to erosion. This shoreline is suspected to be relatively rocky and not susceptible to erosion. However, if this area were found to be sensitive, vessels from both the Pier One site and West Shore site would also impact it since the proposed ferry routes coincide in this area. Therefore, no increased potential of impact from erosion at one of the sites over the other would be found.

Another potential impact of wake wash is the disturbance of harbor seals at identified seal haul out areas. During the investigation of haul out site locations, a conflict was found between the Expansion of Ferry Transit Service in San Francisco Bay Area EIR (WTA EIR) and the Transfer and Reuse of NSTI Draft EIR (NSTI EIR). The WTA EIR identifies harbor seal haul out areas along the eastern shore of TI, north of Pier One, while the NSTI EIR does not identify this site. This may have been a transitory condition as there is no visual evidence of continued harbor seal use or a likely haul out location. Notwithstanding this, studies have shown that seal haul-outs tend to be located in rocky areas that experience significant natural wave energy that is larger than ferry wake wash. Therefore, impact due to wake wash is unlikely. A bigger concern will be the startle effect, which will be discussed further in the Biology section of this report.

3. Water Resources: Potential impacts from ferry services on water resources include a decrease in water quality, flooding damages to facilities, exposure of people to flooding hazards, and stormwater run-off impacts to receiving waters. Upon evaluation of the two sites, no increase in impact for one site over the other was identified with respect to water resources. Since ferry service at either site would utilize the same type vessels and number of trips, the potential impact to water quality would be the same. Neither of the two sites are found within the 100 year flood plain, so the potential for flooding is not a consideration given the design of the facilities is adequate to handle the possible stormwater run-off flows. As for the impacts from increased stormwater run-off, the facilities necessary for ferry terminal operations will be the same for either site, and an increase of impervious areas (which would increase stormwater run-off) at one site could

be offset by increased pervious surfaces at the other site within the development plan for the island.

4. Biology: A wide variety of biological resources are found in the San Francisco Bay, including the following broad categories: plankton, benthos (bottom dwelling organisms), fish, birds, and marine mammals. Of the potential biological impacts found within the Bay, only two have been identified as potential concerns for development of ferry terminal service at Treasure Island (an extensive list of the species to be considered can be found in the WTA EIR). These are impacts to gray whales and harbor seals. Gray whales have been sited throughout the Bay, including one sighting from the eastern shore of TI. The concern for gray whales with respect to ferry operations is vessel collision with a whale. Although the sighting on TI was made closer to the Pier One site, neither of the two sites pose a greater threat to whales due to the significant number of sightings from the San Francisco shoreline, which is directly across the West Shore site. Therefore, it will be more important for the ferry vessel operators to be made aware of the potential of whale collisions and to have the proper detection devices on board to reduce the likelihood of a collision.

   Harbor seal haul-outs have been identified at the south end of YBI and potentially along the eastern shoreline of Treasure Island. See the Wake Wash section above for a discussion of the identified conflict relating to the presence of this site. The site on YBI will not have an effect on either of the two sites with respect to potential ferry operations. However, if the eastern shoreline site is found to be a reality, it could be affected by ferry traffic from the Pier One site. Since seals could potentially be sensitive to passing ferry traffic, the route from the Pier One site, if developed, should incorporate adequate clearance (100 yards minimum) from this haul-out site in order to diminish this impact.

5. Land Use: The current land uses on Treasure Island are offices, housing, warehouses, and other structures that remain from the decommissioned military base. The proposed land use plan, as set forth in the City's Reuse Plan (1996), emphasizes publicly oriented recreation and housing that is accessible by ferry. The redevelopment plan proposed by Treasure Island Community Development (TICD) is generally consistent with the City's Reuse Plan, although it places a greater emphasis on commercial activities in and around Pier One. Given the TICD Plan, development of the Pier One site would be more advantageous. A ferry terminal at either the Pier One site or the West Shore site would have no impact on existing historical buildings.

6. Geology: As previously discussed within the Coastal Protection section of this report, the man-made portion of TI has geotechnical concerns with respect to the likelihood of the underlying soils to liquefy during an earthquake. Such an event could result in significant differential settlement throughout the island, as well as slope failure around the island. Plans to improve the underlying soils performance in such an event through the installation of concrete columns around the island's perimeter are currently being considered as part of the possible redevelopment. This situation exists at both the Pier One and West Shore sites and, therefore, the potential for liquefaction on the island does not benefit one site over the other. None of the other potential geologic hazards,

including expansive soils, fault rapture subsidence/uplift, landslides, erosion, or seiche, pose a significant threat to the island or either of the sites. Although earth shaking has been identified as a high risk on the island, it would pose the same risk at either site.

7. Filling of Bay Waters: The filling of Bay waters has been a heavily regulated aspect of development within the San Francisco Bay area. The primary regulatory agency with respect to this activity is the Bay Conservation and Development Commission (BCDC). They require permits to develop anything within 100 feet of the shoreline (Mean Higher High Water level). If construction within this area is considered, a permit from BCDC is required. Additionally, if new fill or modification of existing fill is to be placed into the Bay as part of the construction then mitigation may be required. According to BCDC, fill means earth or any other substance or material, including piles or structures placed on piles, structures floating at some or all times, cantilevered structures over the water, and structures moored for extended periods, such as houseboats and floating docks.

   Since the construction of a new ferry service at Treasure Island will incorporate fill as defined by BCDC, the potential ramifications were considered. Discussions with staff at BCDC revealed that construction of ferry terminals and the associated fill could be approved. However, mitigation may be considered or required for structures over 10,000 square feet. Possible types of mitigation can include removal of Bay fill or donations towards the Bay Fill Clean-up and Abatement Fund. It was also indicated that, although the regulations do not define a difference between floating and solid fill, floating fill is often "weighted less" than solid fill when considering possible mitigation requirements.

   Upon evaluation of the two sites, the Pier One site will require less Bay fill overall and significantly less solid fill, since a floating breakwater will likely be adequate if found to be necessary. Conversely, the West Shore site will require a breakwater comprised, at least in part, by a solid fill type breakwater that will need to cover a larger area due to the exposure of the site to a wider range of directions. The Pier One site has the added benefit of the existing pier which will not require modification and provides access to deep water, while the pier at the West Shore site will require replacement or reconstruction including additional fill to get the ferry berth into deep water and a larger pier than the existing one.

D. PROBABLE FERRY ROUTES:

In order to evaluate the two sites with regard to the resulting ferry routes, significant background information from the WTA and other sources, including WTA EIR, the Navy EIS and City EIR, was obtained and reviewed, including vessel specifications and typical route durations. The current WTA plans show a route from the Pier One site on TI to the San Francisco Ferry Building that travels around the north end of the site, due in part to the presence of the environmentally sensitive seal haul-outs and feeding grounds located both on and south of Yerba Buena Island, and to avoid possible congestion due to ship traffic at the Outer and Inner Entrances to the Port of Oakland.

As can be seen on Figure 13 that follows, the West Shore route (1.97 miles) is under half the distance of the Pier One route (5.35 miles). In order to evaluate the two sites, the one-way trip and total round trip times were determined for both sites. The one-way trip is defined as berthing at TI, passenger loading and unloading, security sweeps and cleaning, departure from berth, and travel time to arrive at San Francisco. The total round trip is defined as the one-way trip described above, plus berthing at San Francisco, passenger loading and unloading, security sweeps and cleaning, departure from berth and travel time to arrive at TI. Upon evaluation of the one-way trip duration for the two alternative sites, it was determined that only six and six tenths of a minute would be saved by the West Shore route, given durations of 19.2 minutes for the West Shore site and 25.8 minutes for Pier One. This is a relatively small decrease in travel duration when compared to the decrease in trip distance and is a result of the significant amount of time required for maneuvering the vessel at the berth and passenger loading operations, which remains relatively constant for both sites. Therefore, the benefit of the West Shore route is minor with respect to the overall one-way trip duration. See Table 5 for a detailed breakdown of the maneuvers and associated times for the West Shore and Pier One sites.

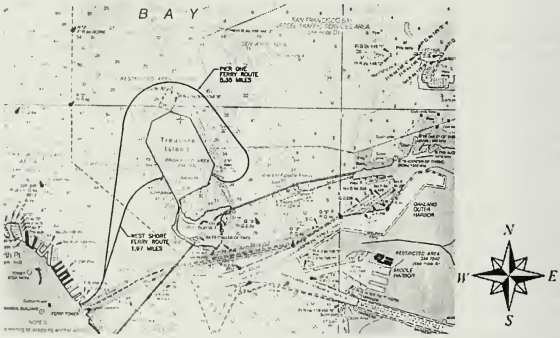


Figure 13: Probable Ferry Routes – Treasure Island/San Francisco (Ferry Building)

Table 5: Ferry Route Trip Durations – Treasure Island/San Francisco (Ferry Building)			
Location	Maneuver/Action	Time (seconds)	
		Pier One Site	West Pier Site
Treasure Island	Berthing (Approach, Make Lines Fast, and Deploy Ramp)	88	88
	Unload Passengers[2]	170	170
	Security Sweep & Cleaning	100	100
	Passenger Loading[2]	170	170
	Departure (Retract ramp, Cast Off, and Back Out)	90	90
	Turning	35	65
	Accelerate to 25 Knots	25	25
	Cruising (25 Knots)	657	234
San Francisco	Decelerate & Maneuvering	210	210
	One-Way Trip (Minutes)	1545 (25.8)	1152 (19.2)
	Berthing (Approach[1], Make Lines Fast, and Deploy Ramp)	88	88
	Unloading Passengers[2]	170	170
	Security Sweep & Cleaning	100	100
	Passenger Loading[2]	170	170
	Departure (Retract ramp, Cast Off, and Back Out)	90	90
	Turning	70	70
	Accelerate to 25 Knots	25	25
	Cruising (25 Knots)	657	234
Treasure Island	Decelerate & Maneuvering	210	210
	Total Round Trip (seconds)	3125	2309
	Total Round Trip (minutes)	52.1	38.5

Notes: 1. Approach refers to time required to come to a stop in berth from one boat length out.

2. Unloading and loading times assumes 21 seconds for walk to vessel from waiting area (or from vessel to waiting area), a loading rate of 10 passengers per minute per unit width, an access width of 6 feet, and 149 passengers each way.

Round Trip Duration: In order to further evaluate the possible impact on ferry service efficiency for the two sites, the round trip durations for each were determined. In addition to the route duration, each trip has to incorporate terminal time (time spent making lines fast, deploying and retracting ramps, loading and unloading passengers, etc.). For the purpose of this study, averages from times recorded for the Baylink Ferries were utilized. See Table 5 above. This results in round trip durations of 52.1 and 38.5 minutes for the Pier One and West Shore sites, respectively. Equating this to possible trips per hour per

vessel yields a value of 1.2 for the Pier One site and 1.6 for the West Shore site. This implies an increased efficiency for travel to San Francisco from the West Shore site. However, the need for more than 1.6 trips per hour during peak usage hours decreases the benefit of the West Shore site with respect to trip duration since both sites would require the use of at least two vessels to meet the peak usage demand. In addition, routes from TI to the East Bay, which have been identified as likely future routes, would be more efficiently served from the Pier One site. This would eliminate the increased efficiency of the West Shore site over the Pier One site with respect to ferry routes and trip duration.

E. PRELIMINARY DEVELOPMENT REQUIREMENTS:

The development of the waterside (WS) and landside (LS) improvements for the new ferry terminal involves a variety of facilities, including passenger waiting, staging and overflow areas, passenger services (i.e., ticketing, vending), staff facilities, utilities, etc. Many of the development requirements associated with the new ferry service will be the same for either of the two alternative sites. Those items that are determined to differ between sites are discussed below, along with explanations for why a number of items were found to be similar for either site.

1. Vessel Mooring System and Passenger Loading Platform (Access Dock): Since the existing pier along the western shore is not suitable to stage ferry service, development at this site would require new construction to provide the appropriate pier, access span, and berthing dock systems for the ferry terminal. Conversely, the Pier One site has the benefit of an existing pier that is assumed to be adequate to accommodate ferry terminal development. Since this structure was designed to provide moorage for significantly larger vessels than are being considered for the ferry service, it is anticipated that a portion of the mooring system and access dock would obtain some lateral support from the existing structure. Therefore, the presence of Pier One would result in a reduction in the cost to develop this site. Assuming that the access span and berthing dock would be the same for either site, the additional cost of the pier needed at the West Shore site would be at least $1.5 million, assuming a pier 200 feet long and 24 feet wide is needed.

2. ADA Access: Although detailed topographic data is not available for TI at this time, the relatively level relief throughout the island indicates that the landside elevations do not vary significantly between the two sites. This results in very similar needs with respect to providing ADA accessibility to the ferry at either site.

3. Passenger Staging Areas and Landside Facilities: Although the same LS staging areas and facilities will be needed for both locations, the Pier One site again provides the benefit of an existing structure to provide the foundation and surface for these areas and facilities (assuming the structure is capable of supporting the necessary building loads). Due to the geotechnical conditions that exist on TI, the construction of foundations will be costly, as noted in Section 1 above, causing

the presence of the existing pier to result in a significant decrease in development cost if utilized for the development of terminal facilities.

4. Utilities: Since the redevelopment of the island is to be extensive and will likely result in significant reconfiguration and undergrounding of utilities, the cost to provide utilities to one site versus the other does not appear to vary significantly.

5. Maintenance: Although the day-to-day maintenance issues will be the same at both alternative locations, two areas of concern have been identified for the West Shore site. During the site visit, large amounts of debris were observed on the rock revetment along the western shoreline. The debris ranged in size from small pieces of trash (cups, cans, etc.) to large pieces of lumber and other types of waterfront debris. See the photograph that follows.

   The accumulation of large quantities of debris along this shoreline is the result of the predominant wind and wave direction from the west transporting these items from the San Francisco waterfront to the western shore of Treasure Island where wave and tidal action deposit the items along the rock revetment. This results in a significant increase in maintenance and operational costs for this site, since maintenance crews will be continually removing debris from the area to prevent damage to the ferries and floating structures.

   Additional maintenance costs will also be encountered due to increased deterioration of marine structures resulting from the increased exposure to wind and waves at this site. For example, increased wave action will produce increased movement of floating structures (breakwater in particular), causing rub strips to require more frequent replacement due to increased wear.

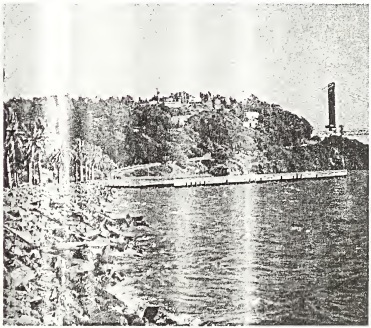


Figure 14: Photograph of Debris at the West Shore Site

6. Breakwater: As previously discussed in this report, the requirements for breakwater structures vary significantly between the two sites. The Pier One site may need protection from the southeast due to periodic exposure to wave heights that may affect terminal operations, while the West Shore site is exposed to the predominant wind-wave approach to the island and will have continual exposure to damaging waves. Therefore, the West Shore site will have to incorporate a more robust breakwater design, which will increase the unit cost of the structure.

   In addition, the West Shore site is also exposed to wind-waves from a wider range of directions (S, SW, W, and NW) than the Pier One site, which has only one direction of concern. This will result in a larger structure or structures needed at the West Shore site that could cost upward of $2 million in order to provide the same level of protection at both sites.

F. ACCESSIBILITY TO USERS:

In order to evaluate the accessibility of the two ferry terminal sites to users from the various residential areas on the island, an analysis was performed to determine the amount (acres) of residential space within quarter mile radii from the ferry terminal sites, respectively. The following proposed Land Use plan shows the quarter mile bands from the two sites.

From these plans, the acreage of residential space within each band was computed. Using this data, the percent of residential development within a quarter mile, half mile, three quarter mile, and one mile of the terminal sites was computed to determine whether either of the sites was more accessible. The table and figures that follow present the findings of this evaluation.

Distance from Site (miles)	% of Overall Residential Area	
	Pier One Site	West Pier Site
0.25	15	20
0.50	50	49
0.75	91	96
1.00	100	100

Table 6: Accessibility to Planned Residential Development

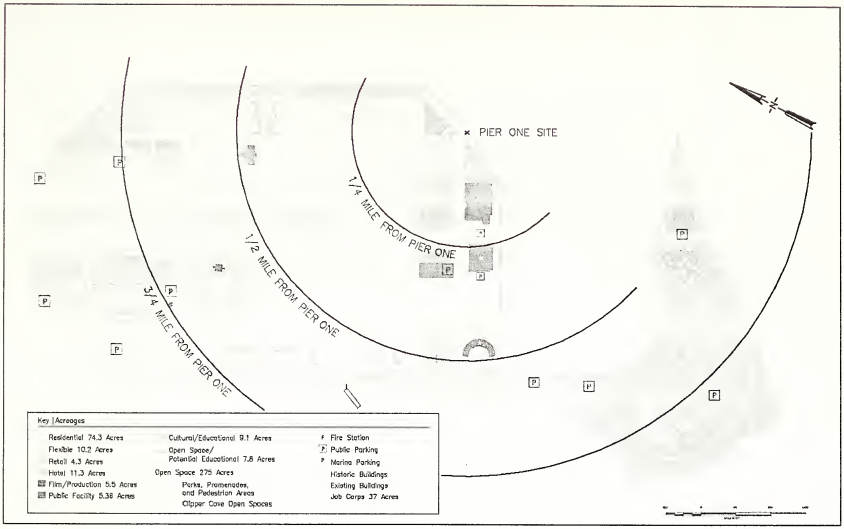


Figure 15: Land Use Plan with Quarter Mile Bands – Pier One Site

Figure 16: Land Use Plan with Quarter Mile Bands – West Pier Site

As shown above, the two sites are very similar with respect to their accessibility to residential areas. All residential development is within a mile of both terminals and approximately 50% is within a half mile of both sites. The West Shore site has a 5% increase in accessibility for both the ¼ mile and ¾ mile bands. This increase in accessibility is considered relatively minor and is not based on the actual population densities for these areas, which could have an effect on these findings. The Pier One site is more advantageous for the proposed uses planned by TIDG, given their proximity to the proposed commercial activities planned along Clipper Cove.

IV. CONCLUSIONS

In order to provide a condensed summary of the findings of this study, CMA has developed an issues matrix to identify the issues determined to impact the viability of the two sites as ferry terminal locations. The matrix also includes a brief description of the findings for each site and a color-coded rating system to illustrate the relative importance of each finding. An index is provided to define the type and importance of the relative impact depicted by each rating and color. See the matrix that follows in Figure 17.

Upon review of the various issues that were evaluated with respect to the potential development of a ferry terminal at the Pier One and West Shore sites on Treasure Island, dredging, wind and wave exposure, protective structures for the ferry terminal berths, biology considerations, filling of bay waters, ferry route durations, and development costs were found to have varying levels of impacts on one or both of the sites. The cumulative impact for the sites for these issues revealed a significantly higher number of adverse impacts at the West Shore site than at Pier One, as can be seen on the matrix that follows. Of primary concern are the effects of the exposure of the West Shore site to increased wind and wave energy, requiring a costly breakwater and the need for a new pier. Both of these impacts will result in The West Shore site requiring substantially more fill and substantially increased costs that would not be necessary at the Pier One site. Although the development of the Pier One site as a ferry terminal would require some bay fill, the amount would be greatly reduced compared to that needed at the West Shore site. Debris accumulation and the resulting maintenance and clean-up costs that would be required at the West Shore site further complicate development of this area.

The Pier One site was found to be less favorable compared to the West Shore when evaluating the ferry route durations, possible exposure of sensitive seal haul-outs and potential impacts with wind surfers. However, the longer route duration for service from Pier One was found to have no effect on this site's ability to provide sufficient ferry service if two vessels are utilized. Additionally, if the appropriate operational measures are taken, the presence of other environmental and recreational issues, such as wind surfing launch would pose negligible, mitigable negative impacts for this route.

Issue	Alternative Site Evaluations	
	Pier One Site	West Shore Site
Dredging:		
Initial Construction	No dredging necessary	No dredging necessary
Maintenance	Sand Bar near Site that does not appear to affect ferry operations	Currents may inhibit sedimentation
Coastal Protection:		
Currents		
Wind & Wave	I-, Sheltered from predominant wind and wave attack, some exposure to storms	I--, Exposed to predominant wind and wave attack, increased exposure to storm events
Protective Structures for Ferry Terminal	I-, Infrequent protection possibly needed from the southeast fetch	I--, Frequent protection needed from west and northwest
Slope Protection along Island		
Environmental Considerations:		
Navigation	I-, Longer ferry route length that passes wind surfing launch	
Wake Wash	Sensitive areas identified along East Bay shoreline that are too distant from ferry route to be impacted	Possible area along YBI that would also be affected by Pier One ferry route if found to be sensitive
Water Resources		
Biology	I-, Whale sighting in area and possible Harbor Seal haul-out along eastern shore of TI	Whale sightings in area
Land Use	Better access to planned commercial area	S-, More distant from planned commercial area
Geology		
Filling of Bay Waters	I-, Bay fill needed for floating access berth & possible floating breakwater	I--, Increased bay fill needed for new pier, access berth, and larger fixed breakwater
Probable Ferry Routes:		
One-Way Durations (minutes)	S-, To SF Ferry Terminal (25.8)	To SF Ferry Terminal (19.2)
Round Trip Duration (trips/hour)	S-, 52.1 Minutes (1.2)	38.5 Minutes (1.6)
Development Costs:		
ADA Access		
Vessel Mooring System	Pier may provide lateral support for mooring systems	C++, New construction required with significant increased cost
Passenger Loading (Access) Platform	Pier may provide lateral support for floating platform	C++, Construction of new pier needed at substantial cost
Passenger Staging Area	Pier provides staging area, foundation, and surface	C++, Area would need to be developed either through new pier or on landside (LS)
Utilities		
Maintenance	Typical maintenance issues	I--,Continual debris cleanup and increased deterioration of marine structures and components due to wind and waves
Breakwater	I-, Breakwater possibly needed to sheller periodic wind-waves from the SE	I--, Breakwater needed for protection from west and northwest
Accessibility to Users	All residential within 1 mile	Same with slightly more residential within 1/4 and 3/4 mile

Index:

Relative Impact: Significant	Relative Impact: Minor	Type of Impact
C++	C+	Increased Cost
S--	S-	Decreased Service to Users
I--	I-	Negative Impact
		Same or No Impact

Figure 17: Alternative Site Matrix

V. BIBLIOGRAPHY

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Appendix A: Revised Diagrams and Illustrations, Treasure Island, Final Response to Request for Proposals, Naval Station Treasure Island, Treasure Island Community Development, LLC

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Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation of Further Revisions to Revised Conceptual Land Use Plan by Treasure Island Community Development to Address Issues Related to the Tidelands Trust

Agenda Item No. 15
Meeting of February 11, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
274-0660

BACKGROUND

On June 14, 2000, the Authority authorized the issuance of a Request for Qualifications for a Primary Developer ("Primary Developer RFQ") for former Naval Station Treasure Island. On February 1, 2001, Treasure Island Community Development ("TICD") submitted a response to the Primary Developer RFQ and on July 11, 2001, the Authority determined that TICD met the evaluation criteria set forth in the RFQ. Subsequently staff was directed to prepare a focused Request for Proposal ("RFP"), which was issued to TICD on April 15, 2002.

On July 2, 2002, TICD submitted its initial response to the RFP to the Authority (the "Draft Proposal"). Copies of the Draft Proposal were provided to the Authority Board, members of the Treasure Island Citizens Advisory Board, the San Francisco Board of Supervisors, and interested members of the public. Over the following months, TICD made presentations of the Draft Proposal at several public meetings held in San Francisco and on Treasure Island to solicit input from the public. In addition, the Treasure Island/Yerba Buena Island Citizen's Advisory Board (the "CAB") and its subcommittees held numerous meetings to discuss the Draft Proposal and prepare comments that were forwarded to the Authority Board.

On January 2, 2003, TICD submitted its revised proposal for the Authority's consideration. Copies were sent to the Authority Board and the members of the CAB for their review. The CAB and its subcommittees again held several meetings to review the proposal and provided their comments to the Board. TIDA staff met with a consultant team to evaluate the proposal in the context of the criteria set forth in the RFP. In March 2003, staff presented its analysis to the Authority Board and determined that proposal prepared by TICD met the criteria of the RFP. Based on the analysis presented by staff, on April 9, 2003 the Authority Board authorized the Executive Director to enter into an exclusive negotiating agreement ("ENA") with TICD for the redevelopment of former Naval Station Treasure Island.

Tidelands Trust Exchange Planning

Previous Conceptual Land Use Plans

The Draft Proposal submitted by TICD in July 2002, contemplated "lifting" the Tidelands Trust designation from portions of Treasure Island proper and placing the Trust designation onto portions of Yerba Buena Island. Under the terms of the RFQ, the Authority indicated that proposals for the redevelopment of Treasure Island could include a trust exchange and that such an exchange could assume an acre for acre exchange.

In response to the Draft Proposal, the California State Lands Commission ("SLC") suggested several changes to TICD's land use plan that would improve the likelihood of executing a trust exchange. In the revised proposal submitted in January 2003, TICD responded to the SLC comments and made several notable changes to the land use plan, including:

- Expanding the open space areas along the western and eastern shoreline;
- Programming additional public uses along the western shoreline, including new retail uses;
- Including a new roadway along the western shore to provide greater public access;
- Pushing residential uses further into the interior of the island; and
- Clustering residential development on Yerba Buena Island to provide greater access to areas designated as trust recipient sites on YBI.

In the analysis of the January 2003 proposal, both the Authority staff and the staff of the SLC noted that the revisions to the plan represented positive changes and that they would improve the overall configuration of a proposed trust exchange. However, the SLC staff also noted additional amendments to the plan would be necessary to form the basis of an exchange of public lands.

Current Conceptual Land Use Plan and Proposed Tidelands Trust Exchange Map

Since the approval of the ENA in April of 2003, the Authority has been working with the SLC staff and TICD to further refine the January 2003 conceptual land use plan. On December 10, 2003, the Authority received a presentation of revisions to the conceptual land use plan based on multiple meetings and conversations with staff from the SLC. On December 11, 2003, the CAB received a similar presentation. In addition, the CAB discussed the item at their January 15, 2004 meeting.

Over the past two months, TICD has continued to make revisions to the conceptual land use plan based on input from the SLC staff, the Authority, Authority staff, the CAB and the public. The product of the revisions are reflected in a proposed Trust Exchange configuration represented in graphic form as Attachment A. The map depicts blocks of land on Treasure Island that are proposed to have the Tidelands Trust designation lifted to be placed on Yerba

Buena Island. At a basic level, the map indicates what areas of Treasure Island and Yerba Buena Island will be available for uses that are not consistent with the Tidelands Trust. However, it remains possible that, through the future land planning process and development negotiations, Trust-consistent uses (e.g., hotels) could be located on blocks from which the Trust has been lifted. The changes from the map presented at the December 11, 2003 Authority Board meeting consist of the following:

1. *Treasure Island Elementary School:* While the Treasure Island Conversion Act provided that certain non-Trust-consistent structures, such as the school, could remain for their useful life (between 25-40 years), Authority staff recognized that it was a poor public policy decision to base land use planning on an assumption that an elementary school could be demolished in the future. As a result, the TI Elementary School site is proposed to be lifted from the Trust to ensure the continued existence of the public school.
2. *Daycare Center & Gym:* It was determined that SLC may be reluctant to accept these portions of Treasure Island as Trust-consistent because of the fact that they are surrounded by proposed non-Trust uses. As such, these blocks are included in the property proposed to be lifted from the Trust.
3. *Interior Streets:* Based on input from the Authority Board, the CAB and the public, Authority staff felt strongly it was important to delay making specific land use planning decisions at the block level at this stage in the development negotiation process. Consequently, interior streets between proposed non-Trust-consistent uses are assumed to have the Trust lifted from the land. This creates contiguous blocks proposed to be lifted from the Trust for which more specific and detailed planning decisions can be made at an appropriate time in the future within the context of more information.

Based on feedback from the SLC staff, the Authority believes the revised conceptual land use plan will support an effective trust exchange, subject to verification of an appraisal that the land placed in the trust is of equal or greater value than the land being removed from the trust. While the staff of the SLC has indicated that the revisions to the conceptual land use plan are favorable for a trust exchange, the final determination of any proposed exchange will be subject to specific state legislation.

This agenda item provides an opportunity for TICD to present and solicit comments from the Authority Board on the revisions to the conceptual land use plan and the proposed configuration of the Tidelands Trust Exchange map.

Next Steps

As noted above, to execute a trust exchange, the lands placed in the Trust (on YBI) must have equal or greater value than the lands removed from the Trust (on TI). To make this determination regarding the value of the respective parcels, the Authority, in conjunction with the SLC, is in the process of conducting of an appraisal of the properties. Initial indications by the appraiser are that, based on a highest-and-best-use valuation analysis, the receiving

lands on Yerba Buena Island are likely to be more valuable on a per-acre basis than lands on Treasure Island. As the appraisal findings become more complete, and via continued feedback from SLC staff, Authority staff expect that TICD will bring a final proposed Tidelands Trust Exchange map to the Authority at its March meeting. In addition, staff will continue to work with staff of the SLC to prepare the formal maps and draft the state legislation necessary to support a trust exchange.

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Area to be removed from State Tidelands Trust Designation

Area to retain State Tidelands Trust Designation

Job Corps

DRAFT

Treasure Island - Trust Exchange Areas

RAFT

Yerba Buena Island - Trust Exchange Areas

February 2004
YERBA BUENA ISLAND COMMUNITY DEVELOPMENT

Notes

Notes

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
February 11, 2004

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City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. Call to Order: 1:45 PM

Roll Call Present: Claudine Cheng (Chair)
William Fazande (Vice-Chair)
John Elberling
Susan Po-Rufino
Marcia Rosen

Excused: Gerald Green
Douglas Wong

2. Approval of Minutes: The minutes of October 2, 2003, October 8, 2003, November 12, 2003, and December 10, 2003 were motioned for approval by Commissioner Cheng.
The motion was seconded by Commissioner Fazande
The minutes were approved unanimously with the following abstentions:
Commissioner Rosen abstained from approval of the minutes of October 2
Commissioner Po-Rufino abstained from approval of the minutes of October 8
Commissioner Fazande abstained from the minutes of November 12
Commissioner Cheng abstained from the minutes of December 10

3. Director's Report by Executive Director Annemarie Conroy
Access and Public Use of Treasure Island: Fox Sports Net held it's annual baseball kick-off luncheon, Make-A-Wish Foundation held fundraiser in Buildings 1 and 180, sports fields used by Olympic Club rugby team, S.F. Women's Soccer League, Berkeley All Blues women's rugby team and the Bay Area She-Hawks women's rugby, Pottery Barn held a catalogue photo shoot in the Nimitz House
Environmental Cleanup: Still working with CH2M Hill and the Department of Toxic Substance Control to refine early transfer numbers to present to the Navy
Short Term Leases: No new short term leases

San Francisco/Oakland Bay Bridge Issues: No new issues regarding Bay Bridge
Community Issues: Next community meeting is Wednesday, February 18th at 6:30 PM
Citizen's Advisory Board: CAB has been very busy working on discussion and preparation of comments on ferry terminal location study, wastewater and recycled water treatment alternatives, and the revised conceptual land use plan by TICD.
TIHDI: Sherry Williams will report
Finance Report: TIDA on target for revenues and expenses for budget projections, revenues for Fiscal Year 2004 received total $4.56 million and expenses total $4.1 million
Legislation and Hearings Affecting Treasure Island: State bill concerning Treasure Island freeway ramps and MOU with CalTrans for CalTrans ownership of ramps discussed at City's State Legislation Committee meeting the morning of February 11, 2004. Tidelands Trust Exchange legislation also discussed at this meeting. Offices of Supervisor Gonzalez and Peskin asked for more information about this item at the Legislation Committee meeting. TIDA in front of Board of Supervisors Land Use Committee for regular update on February 23rd.

Commissioner Cheng asked what the next step will be for these pieces of legislation
Deputy City Attorney Michael Cohen stated both bills have been submitted to the Legislative Council in order to keep them on track in the legislative timeline. Will work with legislators of affected areas and work still to be done on refining the language of the bills. Tidelands Trust legislation work continues with State Lands Commission, the CAB, the Board of Supervisors Land Use Committee, and the TIDA Board on feedback on the map and proposed changes.

Mr. Bill Barnes of Supervisor Chris Daly's Office stated that the reservations from the Supervisors offices concerning the State legislation centered on having more information and maps to review than were provided by the State Legislation Committee. As for the ramps issue the concern was having the City of San Francisco involved in participating in the approval path so that the off-ramp process isn't mired down in the CalTrans approval process.

Commissioner Rosen requested that any legislation submitted regarding Treasure Island always be passed along to the TIDA board in an expeditious manner

4. Communications:
There were Communications received in the previous month from ARC Ecology, the TI/YBI Citizens Advisory Board, Blue Water Network, and a public records request from the Neptune Company

5. Ongoing Business by Directors:
There was no ongoing business discussed by the TIDA Board

6. General Public Comment:
There was no general public comment

7. Mr. Stephen Proud, TIDA Deputy Director, presented a contract extension for a contract with Seifel Consulting. Seifel assists TIDA with preparation of redevelopment plan and redevelopment planning process. Current contract ended December 31, 2003, extension is for a period to end June 30, 2004. Extension allows Seifel to consult on land-use planning as well as

the future "meat and potatoes" of redevelopment planning. Any further contract extensions would be subject to approval of Authority board. Stated staff recommends approval of the contract extension.

Commissioner Cheng asked what part of the project has been completed as of the December 31 expiration date.
Mr. Proud stated that staff has prepared a preliminary plan approved by the TIDA Board and the Planning Commission, also has prepared a preliminary report which took a hard look at planning process and schedule in regards to other activities underway. Revisions are likely to this preliminary report, and there is also a generic, draft redevelopment plan that has been prepared but is dependent on other aspects of the project.

Commissioner Rosen stated that she would be in favor of having provisions in contracts such as these that allow the Director to extend such contracts if the extension is in term only and is not a change in scope of work or funding.
Deputy City Attorney Cohen stated that this was duly noted and would amend future resolutions to reflect this as long as the scope of work or funding isn't

There was no public comment on this item

Commissioner Rosen motioned for adoption of the item
Commissioner Fazande seconded the motion
The item was approved unanimously

8. Mr. Stephen Proud, TIDA Deputy Director, presented an extension to the contract with URS Corporation through June 30, 2004. URS is in the process of preparing an Environmental Impact Report (EIR) for TIDA. Through the point of preparing the draft EIR document and are currently still reviewing public comment from the draft EIR which was greater than expected, as a result an extension of the contract is needed in order for URS to continue this work on the EIR.

Commissioner Fazande asked why the contract increased by $81,000
Mr. Proud stated that increase was already approved by the Authority Board on July 16, 2003. This action is only to extend the term of the contract, there is no change in scope of work or contract amount.

There was no public comment on this item

Commissioner Po-Rufino motioned for adoption of the item
Commissioner Rosen seconded the motion
The item was approved unanimously

9. Mr. Peter Summerville, TIDA staff, presented an extension of a use permit with San Francisco Museum and Historical Society for the use of portions of Building 449 for an additional one year term. The SFMHS has been using portions of Building 449 for storage of SFMHS items that were displaced by the fire at the Canncry Building in San Francisco. The extension is for a one year period retroactive to June 14, 2004

There was no public comment on the item

Commissioner Fazande motioned for approval of the item
Commissioner Cheng seconded the motion
The item was approved unanimously

10 and 11. Mr. Stephen Proud, TIDA Deputy Director, presented items excluding property from the sublease with Treasure Island Enterprises and adding property to the sublease and extending the term of the sublease with Treasure Island Sailing Center. Interim sublease with Treasure Island Enterprises included strip of land on the far southeast side of the Island, immediately adjacent with the T.I. Sailing Center. Land was originally leased to TIE for dry stack storage of boats in conjunction with marina operation. That part of the marina operation has not quite materialized and is not expected to come on-line any time soon. In conversations with TIDA staff, TIE agreed to exclude this strip of land from their sublease, which is what Item 10 accomplishes, with the express intent that the land would be subleased to the Treasure Island sailing center. No other terms of the sublease are changed.

Item 11 authorizes an expansion of the premises in the sublease with the Treasure Island Sailing Center to include the land now excluded from the TIE sublease. This extra land would allow the Treasure Island Sailing Center to expand their area and operations. The sublease also extends the term of the sublease with the Treasure Island Sailing Center.

Ms. Carissa Harris-Adamson, Treasure Island Sailing Center, spoke regarding the Treasure Island Sailing Center (TISC). TISC provides sailing opportunities to people of all socio-economic backgrounds, physical abilities, and skill levels. TISC offers adaptive and youth sailing programs as well as an adult sailing and racing program. Over 775 children participated in TISC activities over the past year. Adaptive sailing program had 65 people of varying physical and developmental disabilities utilize the Sailing Center, as well as a team training for the 2004 Paralympics. Non-subsidized programs such as the first 2 adult classes adult sailing classes proved to be a viable method for raising funds for the subsidized programs of TISC. TISC co-hosted the 2003 Moet Cup which involved America's Cup boats and opportunities for young sailors to meet world-class America's Cup sailors. Plans for next year include increasing summer introductory courses to 500 children and fall and spring classes to accommodate 250 kids each year. Will continue to work with Life Learning Academy and would like to expand Sailing Into Schools program to two more schools. Weekday classes planned for the San Francisco Recreation Center for the Handicapped. Plan on launching water and boating safety classes for adults as well as working on creating a corporate challenge regatta to provide revenue. Needs include classroom and secure locker room/office and new fencing and key-card entry system for hoist and ramp area.

Commissioner Cheng stated that she has been to many Sailing Center events and it is heartwarming to see children of many different backgrounds working together at the Sailing Center and learning much more than just sailing. Thanked TISC for all their work over the years.

Director Conroy stated that Ms. Harris-Adamson and the TISC board have been fabulous over the past few years in providing kids and disabled people from San Francisco the opportunity to access the water that they might not have otherwise. Complimented TISC on all their hard work and success over the years

There was no public comment on Items 10 or 11

Commissioner Fazande motioned for approval of Item 10
Commissioner Elberling seconded the motion
Item 10 was approved unanimously

Commissioner Rosen motioned for approval of Item 11
Commissioner Po-Rufino seconded the motion
Item 11 was approved unanimously

12-13. Mr. Stephen Proud, TIDA Deputy Director presented a review of wastewater treatment options for Treasure Island prepared by Treasure Island Community Development and a Memorandum Of Understanding with the East Bay Municipal Utilities District (EBMUD) for further study of off-Island wastewater treatment options. EBMUD approached TIDA concerning off-Island wastewater treatment and the MOU simply allows TIDA to explore feasibility options. On-Island treatment options would include building a new treatment facility or renovation of the one existing on the Island already.

Ms. Tracy Stiegert, of Brown and Caldwell, presented the wastewater treatment options review prepared by Brown and Caldwell for Treasure Island Community Development. Study was to confirm the availability of multiple feasible alternatives for wastewater treatment and develop a range of costs for these alternatives for the pro-forma for overall development. Work limited to secondary treatment of wastewater as well as advanced treatment of wastewater for recycling and reuse. Off-Island alternatives based on EBMUD and on-Island alternatives based on location near the current location on the southeast side of the Island. Range of construction costs taken into consideration along with maintenance costs to show relative costs. Identified four alternative options concerning secondary and advanced treatment. The most expensive alternative was all on-Island treatment and the least expensive alternative was all off-Island. Also identified non-cost considerations including noise, odor and aesthetics.

Ms. Karen Knowles-Pearce, CAB chair, stated the CAB comments on the presentation. Stated she was not at the January CAB meeting so she is relying on notes from other CAB members. CAB feels that at this time there is not enough analysis for the CAB to make a final stand on the issue, and CAB encourages the TIDA board to seek further information on this issue before making a final decision.
Mr. Proud stated that the CAB did ask about any pipeline necessary on the new Eastern Span of the Bay Bridge, as well as it's relation to any other new utilities pipelines necessary on that new span. Stated that TIDA staff is still in discussions with CalTrans about these issues.

Commissioner Cheng asked where any agreement with EBMUD would leave the San Francisco Public Utilities Commission

Mr. Sam Larano, San Francisco Public Utilities Commission, stated that the action before the board is to allow TIDA staff and EBMUD to go ahead with a feasibility study. SFPUC has been in discussions with EBMUD about this. MOU does not go beyond an agreement to work together on the study. EBMUD is not taking on responsibility for treatment.

Commissioner Fazande stated that his problem is with the lack of a back-up plan in case off-Island treatment is the decided option but there is an emergency or something happens to the Bay Bridge and the wastewater is not able to be pumped off the Island. Stated there is an operational plant out there now and does not know why that plant can not just be retrofitted or expanded.

Ms. Stiegert stated that reliability of a pipe on the Bay Bridge is an issue that has been raised by the SFPUC and the CAB. Questions to ask are is this any more of a risk that any other area sewered by a single pipe. There are very few places that provide redundant piping for wastewater, either in the City of San Francisco or throughout the country. Wastewater treatment plant now on Treasure Island has elements that are fairly old and there is a fair amount of corrosion and structural assessment needed to determine the lifespan of that plans. Additionally a back-up treatment plant is a difficult idea because wastewater treatment is a biological process and not necessarily something one can "turn on and off". Needs to be running at some level at all times to be able to provide emergency service when needed.

Commissioner Elberling asked how much power it takes for on-Island versus off-Island pumping and what the emergency electrical power supply on the Island will be.

Ms. Stiegert stated that the power is almost equal for on-Island and off-Island treatment options. Emergency power for emergency engine generators would be provided specifically for any on-Island pumping station.

Mr. Proud stated that the current power source is a single submarine cable. Generators currently sit on the Island in case of power outages, which have occurred in the past. Still looking for long term secondary sources of power for future inclusion in development of Treasure Island.

Commissioner Elberling asked if EBMUD facilities were all retrofitted completely. Also asked what guarantee there was that EBMUD wouldn't arbitrarily raise rates once in any contract with EBMUD was entered into.

Ms. Steger stated that they did a significant seismic vulnerability study in the early 1990s and they are working to implement all of these upgrades but they are not all complete, also have a significant emergency backup power supply. Also stated that generally when entering into a service contract such as the one proposed one is looking for a long term commitment on the order of 20 to 25 years.

Mr. Proud stated there is no funding in the MOU for TIDA, it is really just necessary so that EBMUD management will be willing to dedicate more staff and resources to studying this option. Each party will take care of their own respective monetary obligations.

Commissioner Elberling stated he would like to see a pricing mechanism built into the scope of any agreement. Without having costs to look at along with technical information it is difficult to make a good decision.

Commissioner Rosen asked if there was still consideration to the developer adding a treatment option to the wetlands
Mr. Proud stated that the wetlands option was for storm water treatment. Staff has been advised by SFPUC that wastewater wetlands treatment is too expensive for the area and volume being considered at Treasure Island

Commissioner Rosen stated her concern that associated costs of on-Island versus off-Island, especially utility costs and other costs associated with the new Bay Bridge such as use fees that are still unknown, and higher costs that are unknown now might affect other planning for Island development such as potential housing. Stated she would be more inclined to approve this MOU if there was the feeling that at the same time further analysis was being done on other options.

Mr. Proud stated that other treatment options are being pursued and this off-site option being analyzed through EBMUD is not the only one being considered

Mr. Barnes stated that there is an operational question with off-site alternatives as to who has oversight over the plants, also stated that possibly it would be a good idea to give the CAB more time to review the alternatives and the financial impacts associated with them, also cautioned that the financial terms of the MOU is for a yet to be determined amount as each side is responsible for their own funding.

Commissioner Po-Rufino asked what the land footprints are for the four alternatives and how they would impact the future development.

Ms. Steger stated that the pumping station alternative will have a footprint of 1,600 to 2,000 square feet, the treatment plant could be anywhere from 1 to 3 or 4 acres, the existing treatment plant is approximately 3 to 4 acres. Stated she can't address value of the property.

Commissioner Rosen asked if it would inhibit work to delay the item by a month in order to amend the resolution to provide further clarity.

Deputy City Attorney Cohen stated that a proposed amendment would be to add to the end of the first resolved clause on Page 4 "provided that concurrently with undertaking the assessments contemplated in the MOU, TIDA staff shall continue to evaluate the feasibility of on-Island treatment options including renovation options as well as an assessment of likely charges and costs imposed by both East Bay MUD and CalTrans"

Commissioner Elberling asked when the decision has to be made regarding on-Island versus off-Island treatment.
Mr. Proud stated it is something that would like to be resolved fairly soon, want to make decisions soon over the coming months. It would be helpful if this item could be approved, since the MOU still has to be approved by EBMUD Board.

Public Comment

Ms. Ruth Gravanis provided handouts for the TIDA Board. Stated that the study is incomplete in several areas. Does not adequately address this plan as it relates to the San Francisco Clean Water Master Plan. Also stated that it does not take advantage of breakthroughs in smaller plant sizes as well as mitigation issues for odor and noise. Stressed the importance of recycled water for such issues as keeping the wetlands wet during the dry season, car washing, and dust abatement at construction sites. Hopes that the TIDA Board takes their time in making this decision and works towards the most beneficial option for the entire Island.

Mr. Jay Wallace, Treasure Island Community Development, spoke and encouraged the TIDA Board to pass this resolution because it allows for further studies to be done and will be helpful in allowing development and planning timeline to move forward.

Commissioner Elberling stated that the resolution needs to have the Whereas clause on page 4, lines 6.5 and 7.5 deleted completely as well as augment the language to reflect that on-Island evaluation will be considered as well.

Commissioner Elberling motioned for approval of the amendment to the resolution
Commissioner Rosen seconded the motion
The amendment to the resolution was approved unanimously

Commissioner Rosen motioned for approval of the amended resolution
Commissioner Elberling seconded the motion
The amended resolution was approved unanimously

14. Mr. Jack Sylvan, TIDA staff, presented the ferry location study and endorsement of location for proposed ferry terminal location. This study was conducted by Concept Marine Associated under contract to Treasure Island Community Development. Evaluation also discussed by Citizens Advisory Board. Two potential locations evaluated, Pier 1 on the eastern shore of Island and the western shore of Treasure Island. Evaluations included navigation, access to land use, dredging and filling of bay waters, as well as financial costs and operating costs.

Mr. Barnes asked if this decision will limit future approvals by the TIDA Board or Board of Supervisors.

Executive Director Conroy stated that this decision is a "fork in the road" in terms of making a decision on the location of the ferry terminal and encouraged Commissioners to deliberate carefully on this issue. A central focus of the 1996 Reuse Plan is a "themed attraction" on the Eastern side of the Island and it is important to have that linked to the ferry terminal to encourage use of the Eastern side of the Island.

Michael Cohen stated there is nothing in this item that binds TIDA, or the Board of Supervisors or the Planning Commission to one course of action or another since there is no approved EIR

and there is still a lot of planning to go. However, the reason this item was included as a performance item under the ENA was it's a big swing issue one way or the other. This decision is key to the future development of a term sheet to bring to the TIDA Board and the Board of Supervisors. Stated there is no legally binding effect on the Board of Supervisors, TIDA Board, or the Planning Commission.

Mr. Greg Reid of Concept Marine spoke regarding the ferry terminal study. Two sites considered were Pier 1 on the eastern shore of the Island and the west shore site which is a closed wooden pier on the western shoreline. Key issues identified were dredging, needs for coastal protection, environmental considerations, ferry routes and trip durations, development requirements and ease of access from users on the Island.

Dredging considerations showed no indication of need for dredging at either site to establish a ferry terminal. There is an existing sand bar identified at the Pier 1 site near the entrance of Clipper Cove, however this sand bar is not an issue that conflicts with ferry access but should be monitored in the future. Need for an offshore fixed pier on the western shore will create a sill basin which will require future dredging of the site. With respects to coastal protection the wind climatology is the same on both sites, however the wave climatology is completely different. Sites exposed to water exposure from very different directions as there are periodic storms from the North and South. West shore site has a heavy exposure to wind and in contrast the Pier 1 site is relatively sheltered from the north-southwest winds that affect the west shore site.

Also wave frequency is much greater at west shore site. Because of wave issues a fixed structure would be necessary at the west shore site to protect terminal from various directions. Lower wave climatology at the Pier One site would allow for a floating breakwater at a lower cost.

Environmental considerations include review of draft EIR, the WTA EIR for a ferry terminal and internal research and have identified the following issues. No difference in impact for water resources at both sites. Minimal impact on gray whales at both sites and possible harbor seal impacts due to harbor seal haul out near Yerba Buena Island. No impact on historical buildings at either site. The Pier One site is closer to planned commercial activities. Filling of Bay waters is a big issue and the Pier One site would require substantially less fill due to the lack of need of a fixed breakwater. Floating facilities will be the same at both sites, considered Bay fill. West shore site has shorter routes by 6.6 minutes one-way and 13.6 minutes on round-trip. Findings are consistent with ferry trips around the Bay and Pier One site would have greater efficiency to East Bay sites and western site is more efficient but not more efficient enough to need only one ferry. Two ferries are still needed at peak rush-hour times. Existing pier would need to be replaced at west shore site while the Pier 1 site has a suitable existing pier. ADA access issues would be the same at both sites. Pier One is an expansive site and could house ferry facilities while the western site would require substantial building. Maintenance would be less on the Pier 1 site due to wind and wave impacts are greater at western site and would require more maintenance due to higher stress on facilities. Ease of access is relatively negligible at either location. Pier 1 site is closer to planned commercial and marine development.

Overall conclusions were that though closer to San Francisco the western site is a more expensive option due to wave exposure and the costs associated with a new pier and will also

require more dredging and more bay fill. Due to new construction capital costs will be much greater at western site than Pier 1 site. Risk of collisions is not related to increase of ferry traffic and a longer ferry route will not necessarily mean more risk of collision.

Ms. Karen Knowles-Pearce, TI CAB, stated that the CAB didn't believe that the current study adequately analyzed and evaluated both locations. Not all CAB members favor the west side location. Stated she wasn't in attendance at the CAB meeting.

Public Comment

Ms. Carissa Harris-Adamson, TI Sailing Center, stated that there is a channel surrounding the Island that is already used by barges and is an area already avoided by recreational vessels. Doesn't see a problem with recreational boats getting in the way of ferry boats. Doesn't feel the wave action from ferries coming to Pier 1 will not be an issue as long as the ferries are docked on the north side of Pier 1, there will be a problem if the ferries come around Yerba Buena Island to dock at Pier 1. Stated she didn't hear any good information regarding environmental considerations about filling the Bay for the western location versus having a slightly longer ferry route to reach the Pier One location. Also doesn't feel that time of travel is a valid concern because ferries coming from the East Bay would have a longer route in order to reach the proposed western location, which allows for a shorter route from San Francisco.

Ms. Ruth Gravanis spoke regarding the ferry study. Stated that the question regarding the ferry terminal should have been decided on before decisions were made regarding land use planning for the hotels and major visitor attractions. Stated that she suggests that a ferry terminal on the west side will be closer to the Museum, Building 1, the chapel and other attractions on the west side of the Island. There are concerns about renewable energy and fossil fuel consumption, as well as air emission concerns if diesel is necessitated. It is her recollection that the EIR from the WTA states that rafting birds and swimming sea mammals are an issue that might necessitate Department of Fish and Game oversight, though it is not mentioned in the report. Floating breakwaters can also be a problem. Encouraged the TIDA board to put off this decision.
Ms. Karen Knowles-Pearce stated that references to wave action should be compared to McCovey Cove near Pacific Bell Park, where there is ferry traffic alongside anchored boats in the Cove. Personally speaking there is almost no wave action in the Cove compared to the concern voiced over wave action at the Pier 1 site. As a boater, she believes that the difference between the east and west sides of the Island is immeasurable. Winds on the eastern side of the Island are much less than the winds on the western side of the Island.

Commissioner Cheng asked if staff has given thought to the comments raised by ARC Ecology regarding their assumptions.

Mr. Sylvan stated that an engineering assessment would have to be done, but the initial assessments from Concept Marine and engineering studies have shown that Pier 1 is laterally strong and indicates that Pier One is suitable.

Commissioner Elberling stated that he expects to vote for this item, but will not do so at the current time because the study is missing operating cost information, and he cannot make a

responsible decision without the "financial realities" in front of him to review. Also asked what the basis is for projecting ferry passengers from either side of the Bay.

Greg Reid of Concept Marine stated that the WTA based their projections on evaluation of expansion opportunities on the Bay combined with ridership census numbers.

Commissioner Elberling questioned what the regulatory process would be for proceeding with the western location. Stated that any new bay fill would be a "huge red flag" in terms of regulatory reviews and might cause a significant time delay for review. Stated that the assumption of a western ferry location would be cause for revised urban design of the Island compared to the concept in the Base Reuse Plan, which always assumed the ferry would go to Pier One. This assumption has always been that the town center will be wherever the ferry terminal is located. Will not support a location where the town center function and the automobile entrance function are in the same location as this will make the Island an auto-dominated development. The Pier One ferry location makes the town center pedestrian-oriented instead of auto-oriented.

Commissioner Rosen asked what the case to be made is for the western location, asked if it was simply to have an alternative to analyze. Stated that as she understands it there is a desire from parts of the public to have the view of San Francisco incorporated into the ferry arrival location, is also aware that Blue Water Network believes that there may be some technological benefit for the ferries being used with a western location but stated she has never heard any arguments other than those with an aesthetic basis, and though with the western location the trip difference to the Island is "San Francisco-centric", it should be remembered that the Islands will serve the entire Bay Area, including the East Bay. Stated she is struggling with the issue because she doesn't necessarily feel the Pier One option is wrong but it is a circular argument in with the location of the town center. Also stated she feels that much of the staff summary and resolution is based on quantitative analysis and assumptions and she still has many questions as she has not seen the Water Transit Authority EIR. Stated that the bay fill is a big issue for her, as is universal access and the suburban model created by auto entrance near ferry terminal. Also stated there is not enough information on the operational issues.

Deputy City Attorney Cohen stated that the original Treasure Island CAC spent a lot of time thinking about the issues that have guided development as well as the principles of an informed planning process. There is an instinct that the Navy built the pier in a feasible, sheltered location. The EIR also contemplates that there needs to be a "sense of place" attached to the ferry terminal location. One of the underlying recommendations from the original CAC was to not over plan the Island ahead of development and land use decisions because of its many constraints. Stated that it wasn't an accident that the planning process has focused on Pier One.

Director Conroy stated that there are several major issues in play, including the Bay fill issue, lack of the availability of a floating breakwater on the western side, the different building that would be necessary on the western side because of breakwater and wave issues as well as capital costs associated with the permanent breakwater and different buildings needed for a western location than a Pier One location. The WTA was also taken into consideration as to what their studies were, why they thought Pier One was a good location as well as the issues related to East

Bay traffic. Stated she hears the Commissions concerns about needing more study on the engineering structure of Pier One, and she agrees with that. Stated that State Lands Commission likes the Pier One location of the ferry building and the fact that the ferry route goes around the Island as to provide an exterior tour of the Island before passengers arrive as well as a view of the new Eastern span of the Bay Bridge. State Lands Commission feels that the Pier One location works with the Tidelands Trust exchange.

Commissioner Rosen stated that there is a consensus on the Commission to delay the vote on this issue. Stated she would like to se an additional memo incorporating additional information from agencies that may have regulatory or professional judgment that the TIDA Board may be cognizant of, as well as she is still not clear what the affirmative case is for the western location. Realizes that some members of the public feel that the Pier One site should not be a de-facto decision.

Director Conroy stated that she wants the TIDA Board to feel confident they are making the right decision and if the Board pleases, staff would be happy to flesh out the operating costs as well as other factors that will go into the decision.

Commissioner Fazande motioned to continue the item to the next meeting
Commissioner Rosen seconded the motion
The motion was passed unanimously and the item was continued to the next meeting.

Director Conroy stated that a letter was recently received from Supervisor Daly's office encouraging the TIDA Board to put off their decision on the EBMUD Resolution and the Ferry Terminal Location Study.

15. Mr. Jay Wallace, Treasure Island Community Development, presented revised concepts to TICD's development proposal for Treasure Island. Certain issues still predominate including sea wall stabilization and geological issues on various parts of the Island. Reviewed changes made to land use plan over the past 2 years based on public comment and feedback from TIDA Board, CAB, State Lands Commission and other government agencies. Showed map of areas lifted from the Tidelands Trust and showed how housing has been moved further away from waters and moved much of Island into the Island core. Retail-commercial areas remain unchanged. Draft legislation contemplates this type of plan and takes into concern feedback from State Lands Commission. Stated that he thinks the plan is fully responsive to CAB comments, housing has been pulled off the edges and put into the Island core.

Deputy City Attorney Cohen stated that biggest change is regularizing blocks and preserving much more flexibility from a development and planning perspective. Gets away from too much pre-determined land-use at too early a stage.

Ms. Karen Knowles-Pearce, CAB chair, stated that CAB members were pleased to see progress on revised land-use plan. Has learned that apparently an informal majority of CAB members stated they were in favor of the revisions that have been made to date. If necessary, CAB can take further action.

There was no public comment on this item

16. There was no future business discussed by Directors

Commissioner Elberling motioned for adjournment
The motion was approved unanimously

17. The meeting was adjourned at 5:30 PM

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
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GAVIN NEWSOM, MAYOR

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NOTICE OF CANCELLED MEETING
And
NOTICE OF SPECIAL MEETING

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cancelled

TREASURE ISLAND DEVELOPMENT AUTHORITY

NOTICE IS HEREBY GIVEN that the regular meeting of the Treasure Island Development Authority scheduled for Wednesday, March 10, 2004 at 1:30 pm at 1 Dr. Carlton B. Goodlet Place, Room 400, City Hall, San Francisco, California, has been **Cancelled**.

A SPECIAL MEETING has been scheduled for March 10, 2004 at 2:00 PM at City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, California.

Treasure Island Development Authority

RECYCLED PAPER

CITY & COUNTY OF SAN FRANCISCO

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TREASURE ISLAND DEVELOPMENT AUTHORITY
SPECIAL MEETING AGENDA
March 10, 2004 2:00 P.M.

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Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, Chair
William Fazande, Vice-Chair
John Elberling
Gerald Green
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes of February 11, 2004*(Action Item)*
3. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
4. Communications (*Discussion Item*)

5. Ongoing Business by Directors (*Discussion Item*)
6. General Public Comment (*Discussion Item*) ******In addition to General Public Comment (Item #6), Public Comment will be held during each item on the agenda.******
7. Approving the Budget of the Treasure Island Development Authority for Fiscal Year 2004-2005, and Authorizing the Executive Director to Submit the Proposed Budget to the Mayor of the City and County of San Francisco for Further Review and Inclusion in the City's FY2004-2005 Budget (*Action Item*)
8. Authorizing the Executive Director to Execute a Use Permit with Cross Link Inc. dba Westar Marine Services, for the Use of Barges YC-699, YC-713, YC-756, and YC-825 For the Period March 1, 2004 through February 28, 2005 (*Action Item*)
9. Presentation of Geotechical Peer Review Prepared by the Treasure Island Development Authority (*Action Item*)
10. Discussion of Treasure Island Ferry Terminal Location Study (*Discussion Item*)
11. Presentation and Endorsement of Proposed Tidelands Trust Exchange Map (*Action Item*)
12. Discussion of Proposed Amendment to Treasure Island Development Authority By-Laws to Add Non-Voting Ex-Officio Members to the Treasure Island Development Authority Board (*Discussion Item*)

POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting

- Public Comment on all items relating to closed session
- Vote on whether to hold closed session to confer with legal counsel. *(Action item)*

13. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
    Persons negotiating for the Authority: Annemarie Conroy, Stephen Proud, Michael Cohen
    Persons negotiating with the Authority: United States Navy
    Property: Former Naval Station Treasure Island
    Under Negotiation: Price___ Terms____ Both X

14. Reconvene in open session *(Action item)*
    - Possible report on action taken in closed session under Agenda Item 12. (Government Code section 54957.1 (a) (2) and San Francisco Administrative Code Section 67.12)
    - Vote to elect whether to disclose any or all discussions held in closed session *(San Francisco Administrative Code Section 67.12).*
15. Discussion of Future Agenda Items by Directors (*Discussion Item*)
16. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

Disability Access

The Treasure Island Development Authority meets at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

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San Francisco
Ethics Commission

30 Van Ness Avenue, Suite 3900
San Francisco, CA 94102
Phone 581-2300 Fax 581-2317

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FEB 2004
TREASURE ISLAND
DEVELOPMENT
AUTHORITY

DATE: February 19, 2004

TO: Department Heads and Commission Secretaries

FROM: Ginny Vida
Executive Director

RE: (1) FPPC Form 700 for 2003/2004 (Due April 1, 2004)
(2) Sunshine Declarations (Due April 1, 2004)
(3) Responsibilities as Filing Officer for Form 700

This memorandum outlines your duties as department heads and commission secretaries with respect to the California Fair Political Practices Commission Form 700 (Statement of Economic Interests, or SEI) for 2003/2004 and the locally required Sunshine Ordinance Declaration.

The San Francisco Ethics Commission serves as filing officer for SEIs and Sunshine Ordinance Declarations filed by department heads and members of boards and commissions. **This means that department heads and members of City boards and commissions <u>must</u> file their SEIs and Sunshine Declarations with the Ethics Commission. Statements submitted by these filers to their individual departments are <u>not</u> considered valid. An explanation for a late or missing form which states that the form was filed with the department will <u>not</u> exempt the filer from penalties.**

Department heads serve as filing officer for SEIs filed by their departmental employees. **This means that designated employees who do not file with the Ethics Commission <u>must</u> file their SEIs with their department head.**

A photocopy of the section of the Campaign and Governmental Conduct Code applicable to your department is enclosed. Review this carefully and compare it with your records to make sure that all filers who are required to submit their Forms 700 and Sunshine Ordinance Declarations do so.

A. <u>Filing Procedures for Filing Officers (i.e., Department Heads and Commission Secretaries)</u>

1. Each department head (or commission secretary) should deliver copies of the enclosed Form 700 and Sunshine Declaration to members of his or her department's board or commission as soon as possible. When you deliver the forms, you should also inform board or commission members that they must file <u>both</u> forms with the Ethics Commission no later than **Thursday, April 1, 2004**.

Once you have distributed the materials, please subsequently confirm with the Ethics Commission that you have provided the two forms and filing deadline information to each member of your department's board or commission. Please do this by filling out the enclosed Certification of Delivery of Form 700 and Sunshine Declaration Form and filing it with the Ethics Commission no later than **Monday, March 15, 2004**.

In advance of the April 1 filing deadline, you are encouraged to collect the completed SEI and Sunshine Declaration forms from your board or commission members. By April 1, you (or your staff member) may hand-deliver the forms to the Ethics Commission and obtain proof of filing. You may obtain proof of filing by waiting for the Ethics staff to date-stamp the form cover sheets and then making copies of the date-stamped cover sheets at the Commission's office. To speed up this process, you may bring additional copies of the cover sheets with you and wait while the staff date-stamps them for your records. (You may also mail your filers' SEIs to the Ethics Commission and ask Ethics staff to mail copies of the date-stamped cover sheets to you for your records. You will need to enclose an additional cover sheet for each filer and a return-addressed envelope if you wish to obtain proof of filing by mail.) You may also follow one of the above procedures to obtain proof that your members have filed the Sunshine Ordinance Declaration.

2. If you are a department head, you must also file a Form 700 and a Sunshine Ordinance Declaration with the Ethics Commission no later than April 1, 2004. You may follow the above procedures to obtain proof of filing.

3. As soon as possible after the April 1 deadline, but no later than **April 12, 2004**, please return via fax or mail to the Ethics Commission the enclosed Filing Officer Report. The Filing Officer Report certifies that all designated filers in your department or on your board who were required to file have done so, or if not, lists the names of those who have not complied. The Filing Officer Report applies both to designated filers who are required to file within your department and designated filers who are required to file with the Ethics Commission.

4. Please note that the Ethics Commission may forward to the FPPC, for possible enforcement action, the names of board or commission members who are more than 30 days late in filing their SEIs. Under California law, **failure to file can subject the filer to a fine of up to $5,000. In addition, willful failure to file may be a misdemeanor.** It is therefore critical that you deliver the Form 700 to members of your department's board or commission in a timely fashion. If you fail to do so, your members may be subject to penalties.

B. Filing Procedures for Designated Employees

Department heads serve as the filing officer for their departmental employees. **If you are a departmental filing officer, you are required to notify members of your staff who are designated employees in the Conflict of Interest Code that they must file SEIs with you and that they must file them on a timely basis with you. As filing officer, it is also your responsibility to assess and collect fines for late-filed statements.** Public officials and employees who file after the April 1, 2004 deadline are subject to a late fine of $10 per day, up to a maximum of $100. Fines are payable to the City and County of San Francisco.

C. Responsibilities of All SEI Filers

This section outlines the responsibilities of **all** SEI filers – both those who file with the Ethics Commission and those who file with their department heads.

Type of Statement to File.
Each filer must file the Form 700 (SEI) with an **original signature**, as follows:

- **Annual statement.** The period covered by the form is January 1, 2003 through December 31, 2003. Do not report any interests that date prior to January 1, 2003. This statement is due no later than **Thursday, April 1, 2004.** (Check "annual statement" on the cover page.)

- **Assuming office statement.** This statement covers the one-year period prior to assuming office. Elected officials and newly hired employees must file within 30 days of assuming office. If you or a designated member of your department or agency assumed office in 2003 but has not filed an assuming office statement, please do so immediately. (Check "assuming office statement" on the cover page.)

- **Leaving office statement.** This statement covers the period from January 1 of the filing year to the date of leaving office, and is due within **30 days** of leaving office. (Check "leaving office statement" on the cover page.)

- **Initial Statement.** This statement is filed by persons serving in titles designated in an agency's newly adopted conflict of interest code, or in a title newly designated in an agency's conflict of interest code, and is due within 30 days of the code's adoption or the title's new designation. (Check "initial statement" on the cover page.)

- **Expanded Statement.** Public officials and employees who hold designated positions in more than one agency may complete a single SEI Form 700 listing both positions on the cover sheet, but must file a copy of the form with each agency with an original signature.

Gift Limit.
An employee or public official designated in the Conflict of Interest Code may not accept gifts from any single source totaling more than **$340** in a calendar year if the employee is required to disclose on his or her SEI income or gifts received from that source. Refer to the enclosed FPPC brochure, "Limitations and Restrictions on Gifts, Honoraria and Travel: Fact Sheet," for further details. (*Please note that the gift limit has risen from $320 to $340, effective January 1, 2003, to account for changes in the Consumer Price Index.*) Please note that Proposition E, approved by the voters in the November 2003 election, imposes stricter gift limits ($100) from restricted sources. Please contact the Ethics Commission if you have questions about this law.

Late Filings and Failure to File.
Finally, **please inform your designated board or commission members that filing deadlines will be strictly enforced, and that late fees will be promptly assessed against late filers and non-filers.** An unsigned statement is considered not filed and will be subject to late filing fees. Statements of 30 pages or fewer faxed on the filing deadline are considered filed **only if** an original statement is postmarked within 24 hours of the filing deadline. For all other statements, the date of the postmark is considered the valid filing date.

There is no provision in state law for extending the April 1, 2004 filing deadline. Statements filed late will be assessed fines of $10 per day up to a maximum of $100. Filing officers, including the Ethics Commission, have discretion on whether to assess a fine on a statement filed late if the filer requests in writing to waive or reduce the fine. A filing officer has the authority fully or partially to waive a fine if, on an impartial basis, he or she determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the California Political Reform Act (Government Code §81000-91015), which governs the collection of Statements of Economic Interests and other political financial disclosure reports.

Note that no liability may be waived if a statement is not filed within 30 days after the Ethics Commission has sent specific written notice to the filer's last-known mailing address about his or her missing statement.

Please see the enclosed Handbook for City and County Filing Officials and Filing Officers for further details on state law and regulations covering late filings and failure to file.

*****

IMPORTANT DEADLINES TO REMEMBER

Date	Deadline
March 15, 2004	Deadline for returning **Certification of Delivery** form to Ethics Commission
April 1, 2004	Deadline for filing **Statement(s) of Economic Interests** and **Sunshine Ordinance Declaration**
April 12, 2004	Deadline for returning **Filing Officer Report** to Ethics Commission

*****

I hope this information is helpful to you. Please call the Ethics Commission at (415) 581-2300 if you have any questions. Thank you for your cooperation.

Enclosures:
1) Form 700 Statement of Economic Interests 2003/2004
2) Sunshine Ordinance Declaration Form
3) Certification of Delivery of Form 700 and Sunshine Ordinance Declaration Form
4) Filing Officer Report
5) FPPC brochure, "Your Duty to File"
6) FPPC *Handbook on the Duties of Filing Officers and Filing Officials*
7) "Limitations and Restrictions on Gifts, Honoraria and Travel: Fact Sheet"
8) Section of current San Francisco Conflict of Interest Code applicable to your department

S:\SEI\2004\Filing Process\Information Packet\deptheadnotice 2004.doc

CHRIS DALY

Member, Board of Supervisors
District 6

市參議員 戴利

CHAIR
S.F. Board of Supervisors Budget Committee
S.F. County Transportation Authority

MEMBER
Bay Area Air Quality Management District
Committee on Information Technology (COIT)
Health Service Board
S.F. Children and Families Commission
Transbay Joint Powers Authority

February 11, 2004

Dear Members of the Treasure Island Development Authority,

I am requesting that you hold over action endorsing the location of the ferry terminal until the supervisors, the Citizens Advisory Board and the public have an opportunity to review a fair comparison of a location with direct access to San Francisco with the location recommended by staff.

I am requesting that you hold over the Memorandum of Understanding with the East Bay Municipal Utilities District as well.

Both actions are premature:

Endorsing the location of the ferry terminal at this time will have the practical effect of constraining options of the Planning Commission and the Board of Supervisors when we are called upon to approve amendments to the General Plan and the Redevelopment Plan for Treasure Island and Yerba Buena Island.

The Memorandum of Understanding with EBMUD inappropriately anticipates an agreement for sewage treatment and recycled water while there are important unanswered questions.

These properties will be an important addition to District 6. It is important that key decisions about their future land use not be unduly limited prior to environmental review and full vetting through the City's planning process.

I appreciate your consideration.

Best Regards,

CHRIS DALY

(415) 554-7970 • Fax (415) 554-7974 • TDD/TTY (415) 554-5227 • www.chrisdaly.org
City Hall • Room 244 • 1 Dr. Carlton B. Goodlett Place • San Francisco, California 94102-4689

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Fiscal Year 2005 Budget

Agenda Item No. 7
Meeting of March 10, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
Eila Arbuckle, Finance Manager
274-0660

SUMMARY OF REQUESTED ACTION

Staff request authorization to forward the Authority's proposed FY 2005 budget to the Mayor's Office and the Board of Supervisors.

DISCUSSION

The Board of Supervisors of the City and County of San Francisco (the "City") established the Treasure Island Development Authority (the "Authority" or "TIDA") to manage the conversion of former Naval Station Treasure Island ("NSTI" or the "Base") from military use to civilian reuse. The specific mission of the Authority is to redevelop former Naval Station Treasure Island and manage its integration with the City and County of San Francisco in compliance with Federal, State and City guidelines including the California Tidelands Trust; create new housing and job opportunities for San Francisco residents, including assuring job opportunities for homeless and economically disadvantaged City residents; increase recreational and Bay access venues for San Francisco and Bay Area residents; and promote the welfare and well being of the citizens of San Francisco.

To achieve these goals, the Authority provides a number of services that can be grouped into three broad categories: (i) Property Management and Municipal Services; (ii) the Transfer of Federal Property to Local Jurisdiction; and (iii) Long-Range Planning and Redevelopment Activities. The following sections briefly highlight some of the major functions of the Authority and show their relationship to the FY2005 Budget.

Property Management/Municipal Services. Under the provisions of a Cooperative Agreement between the Authority and the U.S. Navy, the Authority serves as the property manager for all property that was formerly Naval Station Treasure Island. In this capacity, the Authority is responsible for building maintenance, utility operation and maintenance, landscaping, road repair, management of personal property, etc. In addition, the Cooperative Agreement (and the retrocession of jurisdiction by the Navy) also made the Authority and the City responsible for the provision of municipal services to the Island, including public safety services. For FY 2005, the Authority has budgeted about $7.4 million to fund these expenses.

The Authority has established two principal sources of revenue: (i) revenue generated from interim leasing of existing facilities; and (ii) revenue generated from special events on the Island. For FY 05, these two revenue sources are estimated to generate approximately $8.7 million.

Transfer of Federal Property. As the designated Local Reuse Authority ("LRA"), the Authority is negotiating with the U.S. Navy to acquire all real property at the Base that has not been transferred to other Federal agencies. On Treasure Island proper, approximately 365 acres will be transferred to the Authority and on Yerba Buena Island approximately 115 acres will be transferred to the Authority. The Authority intends to obtain title to the property pursuant to a federal base closure conveyance mechanism known as a "no-cost" Economic Development Conveyance ("EDC"). The Authority submitted its EDC application to the Navy in June of 2000 and has been in constant negotiations since that time to prepare an EDC Memorandum of Agreement.

In an effort to bring closure to the transfer process, in December 2002, the Authority formally requested that the Navy commence negotiating an "Early Transfer" of the Base to the Authority pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Under CERCLA, the Navy has an obligation to complete all environmental remediation activities at the Base before a change in ownership can occur. However, under the Defense Environmental Program, the Navy is authorized to enter into an agreement with local agencies, such as the Authority, to carry out aspects of the Navy's remedial obligations with funds provided by the Navy after an Early Transfer. The terms for transferring the Navy's remedial obligations to the Authority, including the amount of funds to be made available for investigation and remediation of contamination at the base, will be set forth in an Environmental Services Cooperative Agreement ("ECSA") to be negotiated between the Navy and the Authority. The Navy has indicated a willingness to enter into negotiations for a "fence-to-fence" Early Transfer with an ESCA.

To assure that the Authority can complete investigation and remediation of NSTI, as contemplated by the ESCA, the Authority plans to enter a guaranteed fixed-price ("GFP") contract with an environmental engineering and remediation contractor to undertake the remediation. The GFP contract will include environmental insurance to address potential cost overruns, changed conditions, and unknown environmental liabilities.

Long-Range Planning/Redevelopment Activities. The Authority provides several critical services related to the redevelopment of NSTI, including:

- Preparation of an Environmental Impact Report (EIR) to assure the acquisition of Treasure Island complies with the requirements of the California Environmental Quality Act (CEQA);

- Completion of the work necessary to establish a Treasure Island Redevelopment Project Area and secure Board of Supervisors' certification of a Treasure Island Redevelopment Plan;

- Pending approval from the Authority Board, Authority staff will be responsible for the negotiation of a Development and Disposition Agreement (DDA) with a Master Developer for the redevelopment of Treasure Island in accordance with the Reuse Plan; and

- DDA negotiations with the developer for an expanded marina at Clipper Cove.

Most of the activity associated with these actions is expected to be completed during FY 2005; however, the negotiations with a Master Developer for the Base (leading to a DDA), will likely not be completed until FY 2006.

NOTABLE BUDGET CONSIDERATIONS

- **Revenues.** Revenues generated by on-island leasing and special events for FY 05 are projected to decline by $900,000 from FY 04. This is attributable to a soft rental housing market that has resulted in lower revenues from the John Stewart Company and the contractual implementation of a revenue sharing agreement with the Treasure Island Homeless Development Initiative (TIHDI), which is expected to reduce housing revenues by approximately $1.2 million.

- **Reserves.** For FY 2004, the Authority utilized reserves of $2 million to fund various General Fund obligations. Principal among these expenditures was additional funding to the Fire Department of $954,000. As a result of the depletion of the reserve account, the Authority does not have the ability to fund any unexpected expenditures, such as emergency repairs to buildings or infrastructure.

- **Capital Expenditures**. The proposed FY 2005 budget does not include any funding for capital repairs or improvements. This is significant since the San Francisco Public Utilities Commission (SFPUC) identified approximately $11.4 million in near–term improvements for the utility systems at Treasure Island. In their report, *Utility Vulnerability and Risk Assessment Study for Treasure Island and Yerba Buena Island,* the SFPUC noted that:

  - The SFPUC and the public could be faced with significant health and safety risks due to insufficient firefighting capacity and general lack of reliability of the water supply system. For example, the 2-million gallon water reservoir on Yerba Buena Island recently developed a crack, which limits the reservoir to 60% capacity.

  - The electrical system is dated (circa 1948) and is in poor condition. The condition of the electrical equipment presents a major safety hazard to SFPUC staff and warrants replacement.

  - TI/YBI has no long-term back-up power supply. The existing back-up generators run on diesel fuel and as a result it would be extremely expensive to operate the generators during a prolonged service interruption (which occurred recently).

- **Expenditures**. For FY 2005, the Authority is requesting a reduction in expenditures by approximately $1.6 million. This decrease is attributable to a $500,000 reduction in the allocation to SFPUC, a $500,000 reduction in the allocation to the Department of Public Works, and a $1.3 million reduction to the allocation to the Fire Department. It is important to note that in FY 2004, the Authority agreed to a one time allocation to the Fire Department of $954,000. Thus, the FY 2005 proposed Fire allocation of $3.7 represents a 10% reduction from the established baseline of $4.1 million, which is less than the mandated 15% reduction for General Fund Departments, which should be reflected in the Fire Department allocation to Treasure Island. It is important to note that

the $3.7 million allocation to the Fire Department will fully fund the proportionate share of service calls attributable to Treasure Island/Yerba Buena Island. The remainder of service calls (approximately 50%) are attributable to calls for service on the San Francisco/Oakland Bay Bridge, and service calls to the Job Corps and Coast Guard which are both Federal facilities that do not contribute to Treasure Island's revenue base. This $3.7 million has TIDA paying the lion's share of non-TIDA General Fund responsibilities.

- **Affordable Housing**. The Authority provides housing units and facilities to non-profit organizations on a "rent-free" basis to assist economically disadvantaged and homeless San Franciscans. A conservative estimate of this General Fund subsidy from providing 196 housing units is approximately $3.0 million for FY 05.

- **Other Considerations.** The use of non-tax revenues to pay for City services is limited by two separate legal factors: (i) the Tidelands Trust and (ii) federal disposition rules governing "No-Cost" Economic Development Conveyances of base closure property. The following provides a brief discussion of each of these issues.

  Tidelands Trust. Treasure Island proper (the flat portion of the former naval station composed of Bay fill) and a small portion of Yerba Buena Island are subject to the Tidelands Trust. The Tidelands Trust requires that revenues generated from Trust lands be used for Trust purposes. As a result, revenues generated on Treasure Island (i) must be carefully tracked, (ii) should not be used to pay for City services provided to non-Trust properties such as Yerba Buena Island (including the Coast Guard), the Job Corps, and the Bay Bridge, and (iii) must be limited to reasonable costs that directly benefit the Trust. ***In addition, according to the California Attorney General, there is some risk that the City could be compelled to disgorge sums paid by TIDA for basic services that the City routinely provides throughout San Francisco.*** On the other hand, Treasure Island's geographic remoteness and corresponding need for dedicated personnel may make such services sufficiently unique to justify using Trust revenues to pay for them.

  No-Cost EDC. Federal law requires that as a condition to property transfer at no cost from the Navy, for seven years, TIDA must reinvest 100% of the proceeds received by TIDA from the sale, lease or similar use of property on Treasure Island (excluding tax revenues) into activities related to the redevelopment of the base. Federal law identifies a number of "allowable" uses, which are generally capital related – however, the costs associated with the provision of basic municipal services are not considered allowable expenses. In the event the Authority fails to invest the proceeds from the project in a manner consistent with the applicable legal guidelines, the Navy may seek to recoup those proceeds, which would result in the Authority "double paying" for City services.

Recommendation: Staff recommends approval.

APPROVING THE BUDGET OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY FOR FISCAL YEAR 2004-2005, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE PROPOSED BUDGET TO THE MAYOR OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FURTHER REVIEW AND INCLUSION IN THE CITY'S FY 2004-2005 BUDGET.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, As provided under the Authority's Bylaws, the Executive Director and the Finance Manager have prepared a budget for the Authority for Fiscal Year 2004-2005, a copy of which is attached to this resolution as Exhibit A (the "FY 2004-2005 Budget Submittal"); Now, therefore be it

RESOLVED, THAT THE BOARD OF DIRECTORS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY HEREBY ADOPTS AND APPROVES THE FY 2004-2005 BUDGET AND HEREBY DIRECTS THE EXECUTIVE DIRECTOR AND THE

FINANCE MANAGER TO SUBMIT THE FY 2004-2005 BUDGET TO THE MAYOR OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FURTHER REVIEW AND INCLUSION IN THE CITY AND COUNTY OF SAN FRANCISCO'S FY 2004-2005 BUDGET.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 10, 2004.

_____

William Fazande, Secretary

RECYCLED
80000 SERIES
30% P.C.W.

FY 2004-2005	FY04 BUDGET	FY05 Budget
Treasure Island Development Authority	ORIGINAL	PROPOSED
TOTAL REVENUES (Including carryforward)	11,658,581.00	9,071,000.00
Revenues without carryforward	9,616,000.00	8,721,000.00
TI Administration (210009)	1,000.00	1,000.00
TI Special Events Revenues (210016)	378,000.00	500,000.00
YBI Special Events Revenues (210017)	0.00	5,000.00
TI Commercial Revenues (210018)	672,000.00	700,000.00
TI Film Permit Revenues (210019)	40,000.00	25,000.00
YBI Film Permit/ Cellsite Revenues (210020)	110,000.00	15,000.00
Marina Revenues (210021)	15,000.00	200,000.00
TI Housing Revenues (210022)	7,500,000.00	6,500,000.00
YBI Housing Revenues (210023)	900,000.00	775,000.00
REVENUES BROUGHT FORWARD	2,042,581.00	350,000.00
REVENUES LESS EXPENSES		
with recovery & carry forward	50,000.00	58,032.00
with recovery & without carry forward	-1,992,581.00	-291,968.00
TOTAL EXPENSES		
with recovery	11,608,581.00	9,012,968.00
without recovery	13,408,581.00	10,812,968.00
Total Expenses less salaries		8,065,096.00
TOTAL PERSONNEL	1,097,896.00	1,132,167.00
TOTAL NON PERSONNEL/NON CITY DEPTS	3,295,753.00	2,605,753.00
TOTAL SERVICES CITY DEPTS	9,014,932.00	7,075,048.00
INTERDEPARTMENTAL RECOVERY	-1,800,000.00	-1,800,000.00

FY 2004-2005 Treasure Island Development Authority	FY04 BUDGET ORIGINAL	FY05 Budget PROPOSED
TOTAL PERSONNEL	**1,097,896.00**	**1,132,167.00**
Salaries	**939,363.00**	947,872.00
Fringe	**158,533.00**	184,295.00
Retirement $22,749		
Social Security (OASDI) $51,603		
Social Security (m/care) $13,745		
Health Service City match $40,211		
Dependent coverage & Misc $26,105		
Dental Coverage $12,154		
Unemployment Insurance $2,085		
Flexible benefit package $12,689		
Longterm disability insurance $2,953		
Attrition		0.00
TOTAL NON PERSONNEL/NON CITY DEPTS	**3,295,753.00**	**2,605,753.00**
021 Travel	10,000.00	10,000.00
022 Training & Conferences	8,000.00	8,000.00
023 Ffield Expenses	500.00	500.00
024 Memberships	1,100.00	2,100.00
025 Special Events	18,153.00	18,153.00
027 Professional/Specialized Services /1/	2,338,000.00	1,155,000.00
028 Building Maintenance	154,000.00	986,000.00
02801 (garbage collection - $25,000		
02802 (janitorial) $110,000		
02805 (landscaping) $850,000		
02899 (other bldg maintenance) $1,000		
029 Equipment Maintenance	1,000.00	1,000.00
03100 Euipment Rentals	420,000.00	15,000.00
03500 Current Expenses	15,000.00	15,000.00
040 Materials & Supplies	5,000.00	5,000.00
051 Insurance		65,000.00
05200 Paymnents to Other Govt Agencies	325,000.00	325,000.00
05300 Judgments & Claims	0.00	0.00
06000 Equipment	0.00	0.00

FY 2004-2005	FY04 BUDGET	FY05 Budget
Treasure Island Development Authority	ORIGINAL	PROPOSED
TOTAL SERVICES CITY DEPARTMENTS		
with recovery	**7,214,932.00**	**5,275,048.00**
without recovery	**0.00**	**7,075,048.00**
081CB Risk Management	**75,000.00**	5,000.00
081CT City Attorney	**411,320.00**	600,000.00
081C5 DTIS Telecommunications Support	**34,486.00**	7,372.00
081ED Economic Development	**7,538.00**	0.00
081ET DTIS Telephone	**44,819.00**	33,981.00
081FD Fire	**5,054,001.00**	3,720,000.00
081H2 Training	**1,500.00**	1,500.00
081MY Mayor's Office services	**45,721.00**	45,721.00
081PA Central Shops	**3,000.00**	3,000.00
081PE Vehicle purchase	**17,479.00**	0.00
081PF Central Shops Fuel	**2,000.00**	2,000.00
081Parking & Traffic	**100,000.00**	50,000.00
081PR Reproduction	**4,568.00**	5,224.00
081PS Police	**315,000.00**	315,000.00
081Real Estate	**0.00**	70,000.00
081UH Public Utilities	**1,066,250.00**	1,066,250.00
DPW	**1,832,250.00**	**1,150,000.00**
081WB Bldg Repair	1,656,250.00	1,000,000.00
081WE Engeering	100,000.00	100,000.00
081WH Waste Disposal	26,000.00	0.00
081WM construction management	50,000.00	50,000.00
08699 Interdepartmental Recovery	**-1,800,000.00**	**-1,800,000.00**
Fire: AEG 1G-AGF-AAA 315018	-1,800,000.00	-1,800,000.00

Form 5: Contract Budget Form
DEPARTMENT NAME TREASURE ISLAND DEVELOPMENT AUTHORITY

Itemized Contract Budget

Fund	Program	Revised 2003-04 Amount	Proposed 2004-05 Amount	Change (Proposed - Phase B)	Contractor (if known)	Brief Service Description
AAA	BK6	541,000	250,000	250,000	Geomatrix	monitoring enviro remediation
AAA	BK6	15,000	17,500	17,500	KPMG	auditing
AAA	BK6	135,000	35,000	35,000	Seifel	completion of redevelopment plan
AAA	BK6	125,000	250,000	250,000	unknown	engineering studies
AAA	BK6	125,000	125,000	125,000	unknown	outside legal services
AAA	BK6	125,000	125,000	125,000	unknown	real estate services
AAA	BK6	350,000	350,000	350,000	TIHDI	coordination of homeless services per federal base closure law & coordination of recreation services
	TOTAL:	1,416,000	1,152,500	1,152,500		

TIHDI = Treasure Island Homeless Development Initiative

Position Title	Job Class	Step	FY 2003-04 Salary	FY 2003-04 Count	FY 2004-05 Salary	FY 2004-05 Count
Executive Director	0943	7 of 7	$156,854	1	$156,861	1
Deputy Director	0933	6 of 7	$120,237	1	$120,241	1
Finance Manager	0931	6 of 7	$103,866	1	$103,852	1
Development Director	0922	7 of 7	$89,710	1	$89,706	1
Project Administrator	0922	3 of 7	$89,710	1	$89,706	1
Marina/Port Manager (vacant)	0922		$89,710	1	$89,706	1
Special Events Coordinator	1369	5 of 5	$73,075	1	$73,080	1
Commission Secretary**	1366		$58,392	1	$58,360	1
Special Assistant	1363	5 of 5	$47,108	1	$47,111	1
Receptionist	1363	3 of 5	$47,108	1	$47,111	1
Special Assistant (vacant)	1367		$62,822	1	$62,823	1
Special Assistant (vacant)	1368		$67,591	1	$67,573	1
Subtotal			$1,006,183	12	$1,006,130	12
Step Adjustments			($19,278)		($6,472)	
Special Salary Savings			$3,584			
Attrition			($51,126)	-0.62	($51,786)	-0.62
Total			**$939,363**	**11.38**	**$947,872**	**11.38**

Salaries are budgeted at the top step of each class. Step adjustments summarize projected difference between budgeted and actual. Salary does not include fringe benefits.

** actual classification = 1362 step 5, but sitting in 1366 budgeted position

Notes

TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 8 **Meeting of March 10, 2004**

Subject: Resolution Authorizing the Executive Director to Execute a Use Permit to Enable Cross Link Inc., dba Westar Marine Services, to Continue to Use Four Barges for an Additional One Year Period

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
Jack Sylvan, Director of Development
274-0660

SUMMARY OF PROPOSED ACTION

Authorize the Executive Director to execute a Use Permit with Cross Link Inc., dba Westar Marine Services, to continue to use four barges for an additional one year period from March 1, 2004 through February 28, 2005.

DISCUSSION

On September 15, 2003, the Executive Director executed a Use Permit with Cross Link Inc. dba as Westar Marine Services ("Westar") to allow Westar to use four barges for the period September 15, 2003 through March 14, 2004. Westar utilizes the barges for services related to the construction project of the new Eastern Span of the Bay Bridge. These barges (identified as YC-699, YC-713, YC-756, and YC-825) are among the Navy properties the Authority can use to help fund its caretaker responsibilities under the Cooperative Agreement. Westar would like to continue to use the barges for an additional one year period. The rental is $2,125 per barge per month, or a total of $8,500 per month. The annual total rent would be $102,000.

RECOMMENDATION

Staff recommends approval.

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A USE PERMIT WITH CROSS LINK, INC., dba WESTAR MARINE SERVICES, FOR THE USE OF BARGES YC-699, YC-713, YC-756, AND YC-825 FOR THE PERIOD MARCH 1, 2004 THROUGH FEBRUARY 28, 2005.

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority and the United States Navy entered into a Cooperative Agreement designed to enable the Navy to help fund caretaker and other maintenance activities conducted by the City and subsequently the Authority; and

WHEREAS, the Cooperative Agreement allows the Authority to sublease or issue use permits for Navy properties entrusted to the Authority to generate revenues to help fund the Authority's maintenance responsibilities under the Cooperative Agreement; and

WHEREAS, the Executive Director authorized a use permit with Cross Link Inc., dba Westar Marine Services, for the use of Barges YC-699, YC-713, YC-756, and YC-825, for the six month period September 15, 2003 through March 14, 2004; and

WHEREAS, Cross Link Inc., dba Westar Marine Services, has requested the use of the four barges for the additional period March 1, 2004 through February 28, 2005;

NOW THEREFORE BE IT

RESOLVED, That the Authority hereby authorizes the Executive Director to execute a Use Permit with Cross Link Inc., dba Westar Marine Services, for the use of four barges, YC-699, YC-713, YC-756, and YC-825, for the period March 1, 2004 through February 28, 2005.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 10, 2004.

_____

William Fazande, Secretary

KLEEN-FAX RECYCLED
80000 SERIES
10% P.C.W.

City and County of San Francisco
TREASURE ISLAND DEVELOPMENT AUTHORITY
Treasure Island Building One
410 Avenue of the Palms
San Francisco, California 94130

USE PERMIT
(Bare Boat Charter)

THIS USE PERMIT (this "Permit") dated for reference purposes only as March 1, 2004, is made by and between CROSS LINK, INC., dba WESTAR MARINE SERVICES, a California corporation, hereinafter referred to as "Permittee," and the Treasure Island Development Authority, a municipal corporation, hereinafter referred to as "Authority," acting by and through its Executive Director or the Director's designated agent, hereinafter referred to as "Executive Director."

RECITALS

WHEREAS, Authority has custody of those certain Vessels described in Requisition and Invoice document dated April 15, 1997 (Form 1149) hereto attached as Exhibit A ; and

WHEREAS, Permittee seeks to charter the Vessels for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. **Right to Use Vessels**. Authority hereby confers a right to use and charter to Permittee, and Permittee hereby agrees to use and take on hire four (4) Vessels, Number **YC – 699, YC - 713, YC – 756 and YC - 825,** beginning on March 1, 2004 for the limited purpose and subject to the terms, conditions and restrictions set forth in this Permit.

2. **Inspection of Vessels**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them, ("Permittee's Agents") of the Vessels, their seaworthiness and the suitability of the Vessels for Permittee's intended use. Any existing damage to the Vessels identified during such inspection and investigation is set forth in Exhibit B attached hereto. Permittee is fully aware of the needs of its operations and has determined, based solely on its own inspection and investigation, that the Vessels are suitable for its operations and intended uses.

3. **As Is; Disclaimer of All Representations and Warranties**. Permittee acknowledges and agrees that the Vessels are being chartered and accepted in their "**AS IS, WITH ALL FAULTS**" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of

any municipal, county, state or federal government or other governmental or regulatory Authority with jurisdiction over the Vessels, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws") governing the use, occupancy, management, operation and possession of the Vessels. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Vessels, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Vessels, (ii) the physical, mechanical, operational or environmental condition of the Vessels, (iii) the seaworthiness of the Vessels, (iv) the feasibility, cost or legality of Permittee's use of the Vessels, (v) the safety of the Vessels, whether for the use by Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Vessels or their use, including, without limitation, any implied warranties of **MERCHANTABILITY** or **FITNESS FOR A PARTICULAR PURPOSE.**

4. Use of Vessels. Permittee shall use the Vessels for the sole purpose set forth in Exhibit C attached hereto.

5. **Restrictions on Use**. Permittee agrees that, by way of example only and without limitation, the following uses of the Vessels by Permittee, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of its Agents or Invitees (as such terms are defined below) to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Vessels, or transported to or from the Vessels without the prior written consent of Authority or except as may be expressly set forth in Exhibit C hereto. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Vessels. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or its Agents or Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Vessels to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental Authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or

contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Vessels or are naturally occurring substances in the Vessels, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Vessels.

(b) **Waste or Nuisances**. Permittee shall not conduct any activities on or about the Vessels that constitute waste or nuisance.

(c) **Damage**. Permittee shall not do anything about any Vessel that could cause damage to any Vessel or any other Authority property.

(d) **Advertising or Promotional Activities**. Permittee shall not conduct or allow to be conducted any advertising, marketing or promotional activities on any portion of the Vessels, unless expressly described in Exhibit C hereto or unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion.

6. **Alterations**. Permittee shall not make any modifications, alterations or additions to all or any portion of the Vessels, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion.

7. **Permit Fees; Liquidated Damages for Failure to Surrender as Required**. Permittee shall pay to Authority a permit fee in the amount of Two Thousand One Hundred Twenty Five Dollars ($2,125.00) per month, per vessel for the term of the permit as set forth in Section 8 below. Permit fees shall be paid to the Authority without prior demand and without any deduction, setoff, or counterclaim whatsoever. Permit Fees shall be payable on or before the first day of each month, in advance, at the Notice Address of the Authority provided in Section 21. Should Permittee fail to surrender any Vessel as required hereunder at the time and date set forth in Section 8 below, then Authority will suffer actual damages that will be impractical or extremely difficult to determine. In such event, Permittee shall pay to Authority upon demand an amount equal to the sum of Fifteen Thousand Dollars ($15,000.00) per Vessel for each 30-day period after such date and time until the Vessel is surrendered as required hereunder. Authority and Permittee acknowledge and agree that such amount is not a penalty, but is a reasonable estimate of the losses that Authority will incur based on such failure to surrender any Vessel as required hereunder.

(a) **Late Charge.** If Permittee fails to pay any Rent or fees within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by the Authority and Permittee, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that the Authority will incur as a result of

any such failure by Permittee, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate the Authority for its damages resulting from such failure to pay and Permittee shall promptly pay such charge to Authority together with such unpaid amount.

(b) **Default Interest**. Of any Rent or fee is not paid within thirty (30) days following the due date, such unpaid amount shall bear interest from such date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late chares incurred by Permittee nor on any amounts on which late charges are paid by Permittee to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Permittee.

8. **Term of Permit**. The privilege conferred to Permittee pursuant to this Permit shall commence on Monday, March 1, 2004 and shall automatically expire at 11:59 p.m. on February 28, 2005. Moreover, if custody of the vessels reverts back to the United States Government, or Form 1149 terminates for any reason whatsoever, this Permit shall automatically terminate.

9. **Compliance with Laws**. Permittee shall, at its sole expense, conduct and cause to be conducted all activities on the Vessels in a safe and reasonable manner and in compliance with all applicable laws, regulations, ordinances and orders of any governmental or other regulatory entity whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Vessels any and all business and other licenses, permits or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Vessels and not as a regulatory agency with police powers. In addition, Permittee understands and agrees that Authority is not in any way acting on behalf of the City and County of San Francisco (the "City") or the Port of San Francisco (the "Port"). Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, city or other local regulatory Authority with jurisdiction (including, without limitation, the City or the Port), and nothing herein shall limit Permittee's obligation to obtain all necessary regulatory approvals at Permittee's sole cost or limit in any way Authority's, the City's or the Port's exercise of their respective police powers. Without limiting the foregoing, before beginning any use of the Vessels, Permittee shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete such use.

10. **Surrender**. Upon the expiration of this Permit, Permittee shall surrender the Vessels in the same condition as received, free from hazards and clear of all debris. Permittee shall not be responsible for ordinary wear and tear resulting from Permittee's reasonable, prudent and careful use of any Vessel in employment for which it is suited by design, age and condition upon delivery. Prior to surrender, Permittee shall remove all of its property from the Vessels permitted hereunder, and shall repair, at its cost, any damage to the Vessels caused by such removal. Should Authority determine that Permittee has failed to surrender any Vessel in the condition required hereunder, then (without limiting any other rights or remedies available to Authority), Authority shall have the right (but no obligation) to refuse redelivery of the Vessel unless, and until such time as, Permittee shall have fully cured, at its sole cost and expense, such

failure to return the Vessel in the condition required hereunder, and, in any event, whether or not Authority has refused redelivery as permitted hereunder, Permittee shall be bound to make payments for the continued use of the Vessel in the manner and amounts set forth in Section 7 until such time as Permittee has fully cured such failure. Permittee's obligations under this Section shall survive any termination of this Permit.

11. **Indemnity**. Permittee shall indemnify, defend and hold harmless Authority and the City, and their respective officers, agents, employees and contractors, and each of them, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind ("**Claims**"), arising directly or indirectly, out of or in connection with any Vessel or the use, control, operation or condition of each Vessel, for so long as such Vessel is chartered hereunder or remains within the actual or constructive possession and control of Permittee or Permittee's Agents. Permittee's obligations under this Section shall survive the expiration or other termination of this Permit.

12. **Waiver of Claims**. Neither Authority nor City, or any of their respective commissions, departments, boards, officers, agents or employees shall be liable for any damage to the property of Permittee, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the Vessels or their use by Permittee or Permittee's Agents.

13. **No Assignment**. This Permit is personal to Permittee and neither this Permit nor any Vessel shall be assigned, conveyed, subchartered or otherwise transferred by Permittee under any circumstances without the prior written approval of the Executive Director of the Authority. Any assignment, conveyance, subcharter or other transfer by Permittee without the prior written approval of the Executive Director of the Authority shall be null and void, and Permittee shall remain responsible for all obligations under this permit.

14. **Liens**. Authority shall be the sole entity empowered to pledge the credit of any Vessel for any purpose. None of Permittee, Permittee's Agents, the master of any Vessel, any person having or claiming the right to manage, control or possess any Vessel or the master of any towing vessel, shall have the right, power or Authority to contract for, create, incur or suffer to be imposed upon any Vessel any lien or charge of any nature of kind whatsoever. Authority shall have a maritime lien on all cargo, freight, subfreights and upon all equipment, tools, machinery or other property now or hereafter placed or carried upon any Vessel, to secure Permittee's full and strict performance of the terms of this Permit.

15. **MacBride Principles - Northern Ireland**. Authority and the City urge companies doing business in Northern Ireland to move toward resolving employment inequities and encourage them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. Authority and the City urge San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of Authority and the City concerning doing business in Northern Ireland.

16. **Non-Discrimination**. Permittee shall not, in the operation and use of the Vessels, discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status,

marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

17. **Tropical Hardwoods and Virgin Redwood**. Pursuant to S.F. Administrative Code §12I.5(b), the Authority and the City and County of San Francisco urge contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

18. **Insurance**.

Permittee shall procure and keep in effect at all times during the term of this permit, at Permittee's sole expense, insurance as follows:

(a) Protection and Indemnity insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, including coverage for injury or damage to other parties or their property, arising from the operation of any Vessels under this Permit, and including coverage for illness, injury or death of the master or members of the crew, with any deductible not to exceed $10,000 each occurrence. Such insurance shall include coverage for Jones Act benefits and U.S. Longshore and Harbor Workers' Act benefits.

(b) Hull and Machinery insurance, in an amount not less than the current market value of each Vessel, currently set forth in Exhibit A attached hereto, including AUTHORITY as Named Insured and Loss Payee, as its interests may appear, with any deductible not to exceed Five Thousand Dollars ($5,000) each occurrence.

(c) Water Pollution Liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence and any deductible not to exceed $5,000 each occurrence.

All policies required hereunder shall provide for the following: (i) name as additional named insureds Authority and its officers, agents and employees; and (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Permit and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

All policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage to Authority.

Prior to the commencement date of this Permit, Permittee shall deliver to Authority certificates of insurance in form and with insurers satisfactory to Authority, evidencing the coverages required hereunder. In the event Permittee shall fail to procure such insurance, or to deliver such policies or certificates, Authority may terminate this Permit.

Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

Should any of the required insurance be provided under a claims made form, Permittee shall maintain such coverage continuously throughout the term of this Permit and, without lapse, for a period of one (1) year beyond the Permit expiration, to the effect that, should any occurrences during the Permit term give rise to claims made after expiration of the Permit, such claims shall be covered by such claims-made policies.

Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations under this Permit or any of Permittee's other obligations hereunder. Notwithstanding anything to the contrary in this Permit, this Permit shall terminate immediately, without notice to Permittee, upon the lapse of any required insurance coverage. Permittee shall be responsible, at its expense, for separately insuring Permittee's personal property.

19. **General Provisions**. (a) This Permit may be amended or modified only by a writing signed by Authority and Permittee. (b) No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. (e) Time is of the essence. (f) This Permit shall be governed by California law. (g) If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees shall include fees of the City Attorney's Office of the City, based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) If Permittee consists of more than one person then the obligations of each person shall be joint and several. (i) Permittee may not record this Permit or any memorandum hereof. (j) Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (k) Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit.

20. **Security Deposit**. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount of Two Thousand Five Hundred Dollars ($2,500.00) as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Vessels caused by Permittee, its Agents or Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at Law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general

funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent it is not used by Authority as provided herein, the Security Deposit shall be returned to Permittee within thirty (30) business days of the termination of this Permit.

21. Notices to the Parties

Unless otherwise indicated elsewhere in this Use Permit, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority and/or City:	Annemarie Conroy, Executive Director Treasure Island Development Authority Treasure Island Building One 410 Avenue of the Palms San Francisco, CA 94130 Fax: 415/274-0299 E-mail: Annemarie.Conroy@sfgov.org
To Contractor:	Richard A. Smith, General Manager Cross Link Inc., dba Westar Marine Services Pier 50 Shed C San Francisco CA 94107 Fax: 415/495-6814

Any notice of default must be sent by registered mail.

PERMITTEE:

CROSSLINK, INC., a California corporation, dba Westar Marine Services

By: _____
Name: Richard A. Smith
Its: General Manager

By: _____
Name: Wendy Heffron-Morrow
Its: Vice President
CROSSLINK, INC.
dba Westar Marine Services
Pier 50 Shed C
San Francisco CA 94107
FEIN: 94-2434338

TREASURE ISLAND DEVELOPMENT AUTHORITY

By_____
Annemarie Conroy, Executive Director

APPROVED AS TO FORM:

DENNIS R. HERRERA
City Attorney

By _____
Deputy City Attorney

EXHIBIT A

DESCRIPTION OF VESSELS

Vessel Number	Estimated Current Market Value
YC – 699	$40,000.00
YC – 713	$40,000.00
YC – 823	$40,000.00
YC- 825	$40,000.00

SHIPPING CONTAINER TALLY → 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 ... 47 48 49 50

REQUISITION AND INVOICE / SHIPPING DOCUMENT

Form Approved
OMB No 0704-0246
Expires Oct 31, 1991

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0246), Washington, DC 20503.

1. FROM: (Include ZIP Code) BASE CLOSURE OFFICE (CODE 70) NAVAL STATION TREASURE ISLAND SAN FRANCISCO CA 94130-0410	SHEET NO. 1	NO OF SHEETS 1	5. REQUISITION DATE 97APR15
	6. REQUISITION NUMBER		
	7. DATE MATERIAL REQUIRED (YYMMDD) 97APR15		8. PRIORITY
2. TO: (Include ZIP Code) LOCAL REUSE AUTHORITY CITY MAYOR OF SAN FRANCISCO BLDG 1 TREASURE ISLAND SAN FRANCISCO CA 94130-0410	9. AUTHORITY OR PURPOSE		
	10. SIGNATURE S. PETRE ENS,SC,USN		11a. VOUCHER NUMBER & DATE (YYMMDD)
	12. DATE SHIPPED (YYMMDD)		b.
3. SHIP TO - MARK FOR LOCAL REUSE AUTHORITY CITY MAYOR OF SAN FRANCISCO BLDG 1 TREASURE ISLAND SAN FRANCISCO CA 94130-0410 ATTN: LARRY FLORIN	13. MODE OF SHIPMENT		14. BILL OF LADING NUMBER
	15. AIR MOVEMENT DESIGNATOR OR PORT REFERENCE NO		

4. APPROPRIATIONS SYMBOL AND SUBHEAD	OBJ CL	BUR CONT NO	SUBAL-LOT	AUTHORIZATION ACCT'G ACTIVITY	TRANS TYPE	PROPERTY ACCT'G ACTIVITY	COUN-TRY	COST CODE	AMOUNT
**********	**********	MEMORANDUM FOR TRANSFER OF CUSTODY ONLY**********							

ITEM NO (a)	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIEL AND/OR SERVICES (b)	UNIT OF ISSUE (c)	QUANTITY REQUESTED (d)	SUPPLY ACTION (e)	TYPE CON-TAINER (f)	CON-TAINER NOS. (g)	UNIT PRICE (h)	TOTAL COST (i)
1	YC-699/ OPEN LIGHTER	EA	01					
2	YC-713/ OPEN LIGHTER	EA	01					
3	YC-756/ OPEN LIGHTER	EA	01					
4	YC-823/ OPEN LIGHTER	EA	01					
5	YC-825/ OPEN LIGHTER	EA	01					

RECEIVED BY: [signature] DATE: 4/10/97

16. TRANSPORTATION VIA MATS OR MSTS CHARGEABLE TO

17. SPECIAL HANDLING

18. RECAPITULATION OF SHIPMENT		TOTAL CON-TAINERS	TYPE CON-TAINER	DESCRIPTION	TOTAL WEIGHT	TOTAL CUBE
	ISSUED BY					
	CHECKED BY					
	PACKED BY					

19. RECEIPT		DATE (YYMMDD)	BY	
	CONTAINERS RECEIVED EXCEPT AS NOTED			SHEET TOTAL
	QUANTITIES RECEIVED EXCEPT AS NOTED			GRAND TOTAL
	POSTED			20. RECEIVER'S VOUCHER NO

EXHIBIT B

INITIAL INSPECTION

Only the first pages of four inspection reports are reproduced for distribution:

Barge YC-699 Report H 903008

Barge YC-713 Report H903007

BargeYC-756 Report H903005

Barge YC-825 Report H903006

BRUCE CIBLEY
MARINE SURVEYOR

P.O. Box 464 El Cerrito CA. 94530
Tel (510) 234 7020 Fax (510) 236 3488

Report # H 903008 9 17 03
P.O. # 667992
On Hire Survey
Barge YC 699

At the request of Mr. Neal Winberg, Kiewit Pacific, 220 Burma Rd. Oakland Ca. The undersigned Marine Surveyor did conduct an inspection survey of the Barge YC 699 as found afloat at Treasure Island, San Francisco Ca. on 9 9 03. Purpose of the attendance was to ascertain as best as practical, the general condition of the vessel for On Hire Charter purposes

Particulars

Name	Barge YC 699
Official #	Applied For
Built	Not Known
LOA	110 ft
Beam	34 ft
Depth	11 ft

General

Vessel is of all welded steel construction raked bow and stern without skegs aft. Vessel is divided by 5 transverse bulkheads into 6 watertight compartments, common across.

Vessel is surrounded by a 4 ft high steel fence with vertical stiffeners ranging along the outboard sides. There are single openings fore and aft and 2 each openings port and starboard.

Vessel has seen hard service, decks were found washboard moderately to heavy and deck framework can be seen from the exterior due to general depression. Insets and

BRUCE CIBLEY
MARINE SURVEYOR

P.O. Box 464 El Cerrito CA. 94530
Tel (510) 234 7020 Fax (510) 236 3488

Report # H 903007 9 18 03
P.O. # 667922
On Hire Survey
Barge YC 713

At the request of Mr. Neal Winberg, Kiewit Pacific, 220 Burma Rd. Oakland Ca. The undersigned Marine Surveyor did conduct an inspection survey of the Barge YC 713 as found afloat at Treasure Island, San Francisco Ca. on 9 9 03. Purpose of the attendance was to ascertain as best as practical, the general condition of the vessel for On Hire Charter purposes

Particulars

Name	Barge YC 713
Official #	Applied For
Built	Not Known
LOA	110 ft
Beam	34 ft
Depth	11 ft

General

Vessel is of all welded steel construction raked bow and stern without skegs aft. Vessel is divided by 5 transverse bulkheads into 6 watertight compartments, common across.

Vessel has seen hard service. Deck are heavily washboard, all frames pronounce from the exterior. The extent of insets and depressions did not make recording of individual insets practical and the deck has been recorded pictorially.

The vessel has a 4 ft steel fence which surrounds the perimeter of the barge close to the shear with hatch entries outboard. There are single openings in the fence fore and aft and

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MARINE SURVEYOR

P.O. Box 464 El Cerrito CA. 94530
Tel (510) 234 7020 Fax (510) 236 3488

Report # H 903005 9 16 03
P.O. # 667922
On Hire Survey
Barge YC 756

At the request of Mr. Neal Winberg, Kiewit Pacific, 220 Burma Rd. Oakland Ca. The undersigned Marine Surveyor did conduct an inspection survey of the Barge YC 756 as found afloat at Treasure Island, San Francisco Ca. on 9 8 03. Purpose of the attendance was to ascertain as best as practical, the general condition of the vessel for On Hire Charter purposes

Particulars

Name	Barge YC 756
Official #	Applied For
Built	Not Known
LOA	110 ft
Beam	34 ft
Depth	11 ft

General

Vessel is of all welded steel construction raked bow and stern without skegs. Vessel is divided by five transverse bulkheads into six watertight compartments, common across.

Vessel has seen hard service, decks and side shell plate are heavily inset and depressed. Deck plating is set down moderately to heavy along most of its length, as such, deck conditions were documented pictorially.

Surveyor Notes

BRUCE CIBLEY
MARINE SURVEYOR

P.O. Box 464 El Cerrito CA. 94530
Tel (510) 234 7020 Fax (510) 236 3488

Report # H 903006 9 15 03
P.O. # 667992
On Hire Survey
Barge YC 825

At the request of Mr. Neal Winberg, Kiewit Pacific, 220 Burma Rd. Oakland Ca. The undersigned Marine Surveyor did conduct an inspection survey of the Barge YC 825 as found afloat at Treasure Island, San Francisco Ca. on 9 8 03. Purpose of the attendance was to ascertain as best as practical, the general condition of the vessel for On Hire Charter purposes

Particulars

Name	Barge YC 825
Official #	Applied For
Built	Not Known
LOA	110 ft
Beam	34 ft
Depth	11 ft

General

Vessel is of all welded steel construction raked bow and stern without skegs aft. Vessel is divided by 5 transverse bulkheads into 6 watertight compartments, common across. Vessel has seen hard service, found with decks and side shell plate set in heavily.

Surveyor Notes

A. In the context of this report the extent of damage descriptions are noted as follows:

LIGHT Signifies damages 0 – ½"

EXHIBIT C

PERMITTED USE OF VESSELS

Use of four (4) Vessels by permitee shall consist of the following:

Transport of Four (4) Vessels from Pier 1 at Treasure Island to Pier 50 at Westar Marine Services, San Francisco, during the period beginning September 15, 2003 and ending on February 28, 2005, for the sole purpose of construction related activities as needed for the San Francisco/Oakland Bay Bridge Rebuild Project.

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation of Geotechnical Peer Review Prepared by URS for the Treasure Island Development Authority

Agenda Item No. 9
Meeting of March 10, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

On April 9, 2003 the Authority authorized the execution of an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development (TICD) for the redevelopment of former Naval Station Treasure Island. The ENA Schedule of Performance outlined a schedule regarding the negotiation and preparation of documents necessary to implement the redevelopment. Based on review of the TICD development proposal by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (TI/YBI CAB) and Authority staff, this Schedule of Performance identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan and agreement. A peer review of the geotechnical analysis previously conducted by Treadwell & Rollo was one of the key studies outlined in the ENA.

The Authority contracted with URS to conduct the geotechnical peer review of geotechnical analysis previously conducted by Treadwell & Rollo for both the Authority and for TICD. Authority staff reviewed and approved the scope of work for the study. The findings of the evaluation were presented by URS at the February 11, 2003 TI/YBI CAB meeting. The TI/YBI CAB took no action on the item. The completed report is included as Attachment A.

SUMMARY OF EVALUATION

URS reviewed and analyzed four reports conducted by Treadwell & Rollo, consisting of the following:

- Geotechnical Report, Treasure Island Reuse Project, July 26, 1995
- Slope Stability Evaluation, Treasure Island Reuse Project, February 15, 2000
- Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, May 17, 2002
- Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, June 6, 2002

The central focus of URS's scope of work was to evaluate the conclusions and recommendations from the Treadwell & Rollo reports for appropriateness for the reuse proposal submitted by TICD and being reviewed by the Authority.

Generally, URS sufficiently concurred with Treadwell & Rollo's technical approach and recommendations to suggest that development negotiations move forward between the Authority and TICD based on the existing geotechnical analysis to date. URS also recommended additional evaluations and updates be conducted as part of the engineering evaluation of the final development plans. Authority staff intend to include these scopes of work within the development planning and negotiation process currently underway.

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URS

FINAL REPORT
PEER REVIEW OF TREADWELL & ROLLO REPORTS
TREASURE ISLAND REUSE PROJECT
SAN FRANCISCO, CALIFORNIA

January 12, 2004

URS

January 12, 2004
Job No. 28066677

Treasure Island Development Authority
410 Avenue of the Palms, Bldg. 1, Second Floor
San Francisco, California 94130

Attention: Mr. Jack Sylvan

Dear Mr. Sylvan:

Final Report
Peer Review of
Treadwell & Rollo Reports
Treasure Island Reuse Project
San Francisco, California

1.0 INTRODUCTION

This final report presents the URS peer review of four Treadwell & Rollo, Inc. reports that support ongoing design for the Treasure Island Reuse Project. URS completed this peer review in accordance with our Agreement dated October 1, 2003 with the Treasure Island Development Authority, City and County of San Francisco, with our proposal dated July 29, 2003, and with the "Request for Services" faxed to URS on July 22, 2003.

As part of the peer review process, we submitted a list of questions to Treadwell & Rollo to clarify several technical issues, and Treadwell & Rollo responded to these questions through written and telephone correspondence.

We then submitted a draft report to the Treasure Island Development Authority and Treadwell & Rollo for review and comment, and we incorporated these comments in the report herein.

For the peer review, the Treasure Island Development Authority provided URS with the following Treadwell & Rollo reports:

- Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California, dated July 26, 1995.

- Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California, dated February 15, 2000.

- Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California, dated May 17, 2002.

- Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California, dated June 6, 2002.

Following this introduction, Section 2.0 describes the scope of work, and Section 3.0 presents our conclusions and recommendations in reference to our list of questions for each report. Section 4.0 summarizes the recommendations. Appendix A contains the URS list of questions for Treadwell & Rollo in a URS letter dated December 3, 2003, and Appendix B presents the Treadwell & Rollo responses to URS' list of questions in Treadwell & Rollo letter dated December 15, 2003. Appendix C includes Treadwell & Rollo's supplemental responses to URS' list of questions in a Treadwell & Rollo letter dated January 9, 2004.

2.0 SCOPE OF WORK

The scope of work consisted of three tasks: (1) Review Geotechnical Documents, (2) Evaluation and Finding, and (3) Distribution and Finalization of Peer Review Report.

Task No. 1: Review Geotechnical Documents

URS senior geotechnical engineers reviewed the four Treadwell & Rollo reports that the Authority provided to URS. These four reports are listed in Section 1.0, Introduction. In order to clarify several technical issues during the course of our review, we developed and submitted a list of questions addressed to Treadwell & Rollo in a letter dated December 3, 2003.

On December 15, 2003, Treadwell & Rollo submitted to URS a letter containing responses to the URS list of questions.

URS reviewed the Treadwell & Rollo responses and telephoned Treadwell & Rollo on December 19 and 22, 2003 in order to clarify a few remaining technical issues.

Task No. 2: Evaluation and Finding

This task included evaluating the Treadwell & Rollo conclusions and recommendations presented in their four reports for appropriateness of the ground improvement techniques proposed to address liquefaction-induced lateral spreading, earthquake-induced deep-seated slope stability failure or large deformations and seismic settlement, and for appropriateness of the conceptual foundation support systems proposed for the buildings.

Under this task, we prepared this report, which presents our conclusions and recommendations. Overall, URS agrees, with some qualifications, with the conclusions and recommendations presented in the four Treadwell & Rollo reports.

Task No. 3: Distribution and Finalization of Peer Review Report

As part of this task, we submitted a draft report to the Treasure Island Development Authority and Treadwell & Rollo for review and comment. We received comments from the Authority in a facsimile dated January 6, 2004, and we received comments from Treadwell & Rollo in a letter dated January 9, 2004. We incorporated these comments into the report herein. We have submitted four copies of this report to the Authority and one copy to Treadwell & Rollo. As requested by Mr. Jack Sylvan in a telephone call dated December 18, 2003, we plan to attend a meeting of the Citizens' Advisory Board on January 15, 2004.

3.0 CONCLUSIONS AND RECOMMENDATIONS

This section presents the conclusions of our peer review of the four Treadwell & Rollo reports. For each report, we briefly summarize the scope of the report and present our general conclusions regarding the report. We then repeat the URS questions for that report in italics and provide comments on Treadwell & Rollo's response. Appendix A also presents the URS list of

questions, and Appendix B lists the full Treadwell & Rollo response to the questions. Appendix C contains supplemental responses from Treadwell & Rollo.

Following our comment on each Treadwell & Rollo response to the question, we present one of the following specific conclusions in boldface type:

- **Agreement** – URS agrees or is satisfied with Treadwell & Rollo's response.
- **Agreement with Qualifications** – URS partially agrees or substantially agrees with Treadwell & Rollo's response.

For each **Agreement with Qualifications** conclusion, we provide our explanation and/or recommendation.

3.1 TREADWELL & ROLLO, 1995, "GEOTECHNICAL REPORT, TREASURE ISLAND REUSE PROJECT, TREASURE ISLAND, CALIFORNIA."

This report presents a brief history of Yerba Buena Island and Treasure Island, current surface elevations, subsurface conditions based on previous reports and investigations, a review and conclusions regarding subsidence, local seismicity, and performance of the island during the 1989 Loma Prieta Earthquake. The report then discusses the geologic and geotechnical hazards on the islands and recommended soil improvement techniques for mitigating the effects of the hazards.

URS agrees with the technical approach adopted by Treadwell & Rollo to evaluate the geologic and geotechnical hazards at the time they prepared the report. However, some of the geotechnical analysis techniques have advanced since the report was prepared in 1995. Therefore, we recommend that the Treasure Island Development Authority request an updated evaluation of the geologic and geotechnical hazards based on developments in geotechnical analysis techniques since 1995. For example, we refer to Youd et al. (2002) with regard to the prediction of lateral spread displacement using the revised multilinear regression method (MLR).

As noted by Treadwell & Rollo in their responses to the URS list of questions, the conclusions and recommendations regarding stability of the slope at the southeastern and northwestern

portions of the island are superceded by conclusions and recommendations presented in Treadwell & Rollo's "Slope Stability Evaluation" report dated February 15, 2000.

URS conclusions regarding specific questions are presented below.

Question 1: Section 3.2, p. 11:

The report states the "current elevations are the result of many years of ground settlement." Since the stated range of elevations for the dike (+10.5 to +16 feet) is above and below the initial elevation (+14 feet), are current dike elevations also the result of additional fill?

Treadwell & Rollo stated that they "believe additional rock was placed to achieve the current grades."

Agreement

Question 2: Section 5.0, p. 15:

The report states that where Bay Mud thickness is greater than 60 feet (northwest corner), the Bay Mud is underconsolidated and the settlement rate may be on the order of 1 foot over the next 50 years. Can you provide more background information (e.g., calculations and interpretation of Table 2) to help explain this settlement prediction?

Treadwell & Rollo provided the soil properties and assumptions used to calculate the future settlements.

Agreement

Question 3: Section 8.1.1, p. 19:

The report suggests five areas on Yerba Buena Island (YBI) as potentially unstable and that a geotechnical investigation should be performed if development is planned in the vicinity of these five locations. Based on geologic maps, there are other areas on YBI that have steep slopes and soil cover. Why were these other areas excluded from the recommendation for further geotechnical investigation?

Treadwell & Rollo identified the five locations as areas where there is a higher than normal probability for slope instability. In addition, they stated in their response that because the Reuse Plan calls for a land swap between Yerba Buena Island and Treasure Island, development on steep soil-covered slopes on Yerba Buena Island will be restricted with the exception of proposed beach trails. They also mention that "site-specific geological/ geotechnical investigations should be performed for any proposed improvement on YBI…"

Agreement with Qualifications – We recommend that Treadwell & Rollo update the relevant 1995 report section to incorporate their response to this question.:

Question 4: Section 8.2.1, p. 20:

The report concludes peak accelerations could be on the order of 0.4g based on design earthquakes. How did you arrive at this conclusion (i.e., what attenuation relationships did you use)? Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. The most recent (2003) California Probabilistic Shaking Map (www.consrv.ca.gov/cgs/rghm/psha) shows a PGA = 0.47g.

Treadwell & Rollo provided the basis, including methodology, for the chosen design level PGA of 0.4g for Treasure Island. Their analysis was based on SHAKE analyses and attenuation/amplification of soft soil sites. They recommend performing site-specific response analyses to model each site on Treasure Island where subsurface conditions differ substantially from the original SHAKE analysis performed by Geomatrix.

Agreement

Question 5: Section 8.2.2.1, p. 20:

What method did you use to estimate settlement on the order one foot to several feet for structures that lose bearing support as a result of liquefaction?

Treadwell & Rollo estimated the settlement based on empirical evidence outlined by a Youd and Hoose (1978) report that described historic deformations resulting from liquefaction in Northern California.

Agreement

Question 6: Section 8.2.2.2, p. 20:

The report states that liquefied sand can settle on the order of 3 to 24 inches, However, Figure B-3 reports the range from 3 to 22 inches. Can you provide a typical calculation package for this analysis?

Treadwell & Rollo clarify that the correct range of settlement is 3 to 22 inches. They provided a typical spreadsheet for liquefaction-induced settlement based on two methods (Ishihara and Yoshimine, 1990; Tokimatsu and Seed, 1984).

Agreement

Question 7: Section 8.2.2.3, p. 20-21:

The report states the method for predicting lateral spread (Bartlett and Youd's 1995 MRL model) was evolving and results should be considered qualitative. Then report presents order of magnitude lateral spread displacement for the island based on the MLR model analysis and engineering judgment. Can you be more specific as to what information other that the MLR analysis you used to determine the order of magnitude displacements?

Treadwell & Rollo stated that they used the MLR model and reviewed a report, Youd and Hoose (1978), that described "historic lateral spread deformations that have resulted in significant ground displacement and building damage."

Agreement with Qualification – We recommend conducting an update of the evaluation of the lateral spread hazard based on advances in the MLR model (Youd et al., 2002)

Question 8: Section 8.2.4, p. 23:

What method did you use to estimate 5 feet of slope movement due to deep failures in the recent bay mud? Did you conduct an analysis of dike movement based on Makdisi & Seed (1978)? Were slope deformations evaluated using residual strengths in the liquefied soils?

Treadwell & Rollo employed the Makdisi and Seed (1977, 1978) method to estimate 5 feet of slope movement. Residual strengths in the liquefied soils were not used in the evaluation of the potential for deep-seated rotational failures because the Makdisi and Seed method is a simplified procedure that is restricted in application to soils that experience

very little reduction in strength due to cyclic loading. They state that conclusions regarding slope stability in the 1995 report are superceded by the conclusions in the Slope Stability Evaluation report dated February 15, 2000.

Agree with Qualifications - We understand that Treadwell & Rollo used the Makdisi and Seed (1978) approach to estimate deformations in the 1995 report, and that this method is restricted to soils that experience very little reduction in strength due to cyclic loading. We also understand that Treadwell & Rollo used the Makdisi and Seed approach to estimate deformations in the 2000 report (see Question 1, Treadwell & Rollo 2000 report). However, to estimate the potential for deep-seated rotational failure at the northwestern portion of the island where the Bay Mud layer is thickest, we believe it is important to take into account the residual undrained shear strength of the liquefiable soils, as this may more closely represent the actual strength of the soil during a major earthquake. In addition, it is possible that the Bay Mud may experience degradation in shear strength due to earthquake motions. Therefore, we recommend re-evaluating the potential for deep-seated rotational failures at the northwest portion of the island using a method, such as Seed and Harder (1990) or dynamic methods, that can account for the reduced shear strengths during earthquakes of both the liquefiable fill and shoal deposits and the Bay Mud.:

Question 9: Section 9.1.2, p. 24:

The report suggests dynamic compaction as a method to densify artificial fill on YBI. On page 26 in the last paragraph of section 9.2.2.1, the report states "Since dynamic compaction is potentially damaging..." Is this also applicable for dynamic compaction work on YBI?

As with Question 3, Treadwell & Rollo stated that "it is unlikely that significant development of YBI shoreline areas will be allowed." And that they "anticipate that the application of this method of soil improvement will be very limited." In telephone correspondence on December 22, 2003, Treadwell & Rollo stated that dynamic compaction at potential development sites on Yerba Buena Island is potentially damaging to existing structures on Yerba Buena Island.

Agreement

Question 10: Section 9.2.2.3, p. 27:

The report states a proposed new rock berm would replace the existing berm. Do you mean to state that a proposed new rock berm would be constructed outboard of the existing rock berm?

Treadwell & Rollo stated that "the proposed rock berm could either replace or incorporate the existing berm, or the proposed berm could be constructed outboard of the existing one." They further state that due to permit restrictions associated with the expansion of TI, it is likely that only two alternatives will be either replacing the existing berm or incorporating the existing berm into the proposed earth structure.

Agreement

Question 11: Section 9.2.3, p. 28-29:

The report seems to suggest that it is not cost-effective to modify the ground beneath existing buildings, but that the existing buildings should be lifted in order to construct new mat foundations. The existing buildings with the new mat foundations would have a reduced risk of collapse, but may not be functional after an earthquake. It may be appropriate to state the actual cost of improving the ground beneath existing buildings in order to eliminate the risk of collapse. It seems that it may not be worth the effort to only add a mat foundation if the existing building could still collapse. Were cost comparisons performed for ground modification beneath existing buildings and for lifting buildings to install a new mat foundation?

Treadwell & Rollo stated that cost comparisons were not performed. They also stated that some ground modification techniques beneath existing structures may induce a new cycle of consolidation settlement, which may cause damage to existing structures. They further state that "site-specific foundation investigations and engineering analyses can be performed to better estimate the amount of settlement associated with various soil improvement techniques."

Agreement with Qualifications – We endorse Treadwell & Rollo's suggestion of site-specific foundation investigations and engineering analyses for proposed development.

We reiterate Treadwell & Rollo's statement that replacing an existing building's foundation system with a rigid mat would "tend to reduce the risk of building collapse," but "the buildings may not be functional after the earthquake." Therefore, we recommend performing a cost comparison analysis to determine the optimum foundation scheme for each new development. We also recommend performing a Probable Maximum Loss (PML) study to determine the risk of damage from earthquake shaking. See Section 3.4, pages 15-16, for further information on PML studies.

Question 12: Section 9.2.3.2, p. 30:

The report states that new loads typically would cause 1 to 2 feet of settlement over 20 to 30 years. What range of new loads would cause these typical settlements?

Treadwell & Rollo provided the load information and their assumptions they used to calculate the settlement.

Agreement

3.2 TREADWELL & ROLLO, 2000, "SLOPE STABILITY EVALUATION, TREASURE ISLAND REUSE PROJECT, SAN FRANCISCO, CALIFORNIA."

This report presents the results of a slope stability study of two areas of potential deep-seated slope failures at the perimeter of Treasure Island: the southeast area and the northwest area. The report briefly describes the field investigation consisting of 4 CPTs, describes the subsurface conditions at the two subject areas, and tabulates the selected soil parameters for the analysis. The report then presents the results of static and pseudo-static slope stability analysis and of slope deformation analysis of the two areas. They conclude that a 1,500 feet long section of the northwest dike perimeter "may experience 12 inches of permanent deformation" under the design earthquake, and they recommend mitigating the potential for dike movement by improving the soil with deep soil-cement mixed columns. They also recommend mitigating lateral spread due to liquefaction by using stone columns.

URS generally agrees with the technical approach used by Treadwell & Rollo to evaluate the static slope stability of the dike perimeter. However, for seismic slope stability, URS recommends conducting additional analysis to account for the reduced shear strength of the fill

and shoal materials and the Bay Mud during earthquake loading. In addition, URS believes that further study is necessary to finalize the design of the proposed mitigation method, the deep soil-cement mixing method. We recommend additional field and laboratory investigations to establish the stress history and strength parameters of the Young Bay Mud at three locations: beneath the crown of the dike, beneath the toe of the dike, and approximately 100 to 200 feet offshore from the toe of the dike.

URS also recommends considering the deep soil-cement mixing method to mitigate both the potential for deep-seated failure and lateral spread due to liquefaction.

URS conclusions regarding specific questions are presented below.

Question 1: Section 5.2, p. 5-6:

The report provides a table of soil parameters that were used for the slope stability analyses. The report also provides figures illustrating the stratigraphy that was used for the analyses. Compared to the descriptions of the sandy fill and shoal materials as being loose to medium dense, the choice of friction angle of 37° seems high. For similar reasons, the choice of 700 psf, 500 psf, and 1,100 psf for cohesion for the sandy clay shoal material, offshore recent bay mud, and onshore recent bay mud, respectively, seem high. The report states that the basis for these parameters are the CPTs and selected subsurface data from previous investigations. Can you provide more details regarding your choice of soil parameters?

Regarding the selection of soil parameters, Treadwell & Rollo states that they relied on the four CPT tests for the choice of friction angle for the sandy fill and shoal material, the four CPT tests and previous site data for undrained shear strength of the sandy clay shoal deposit, the CPT data for the onshore Bay Mud undrained shear strength, and previous Geomatrix (1990) subsurface data for the offshore Bay Mud undrained shear strength. In telephone correspondence dated December 19, 2003, Treadwell & Rollo again supported the choice of friction angle of 37° as an average value for the sandy fill and shoal deposits. They further stated that the portion of the failure circle that intersects the sandy fill and shoal deposits is relatively small compared to the portion that intersects the Bay Mud, and

therefore, a difference of one or two degrees in friction angle will not have a significant effect on the calculated factor of safety.

Agreement with Qualifications – URS concurs that the chosen static soil parameter values for the fill, shoal, and onshore Bay Mud deposits are generally consistent with the CPT results. Furthermore, URS agrees with Treadwell & Rollo that a change of 2 degrees in friction angle for the sandy fill and shoal deposit will not have a significant effect on the calculated factor of safety for static conditions. However, URS believes that the verbal descriptions of the consistency or density of the subsurface strata deposits are not consistent with the chosen soil parameter values. The fill and shoal deposits are described as "loose to medium dense" and "soft to medium stiff." These density and consistency descriptions generally correlate to a friction angle of 29° to 36° and an undrained shear strength ranging from 250 psf to 1,000 psf (Terzaghi et al., 1996; Peck et al, 1974). Furthermore, the onshore Bay Mud is described as medium stiff, which generally refers to an undrained shear strength of 500 to 1,000 psf, whereas the chosen soil parameter for this deposit is 1,100 psf. We recommend changing the verbal descriptions to be more representative of the chosen soil parameters. We also recommend adding an evaluation of the results of the four CPT tests compared with the Geomatrix data and other previous data.

Prior to final design of the method to mitigate the potential dike movement, URS recommends additional investigation and analysis to establish the characteristics of the onshore and offshore Bay Mud at the dike perimeter location with the greatest potential for movement. URS believes that currently, there is insufficient data to fully define the stress history and strength characteristics at all major locations along the potential slip circle: beneath the crown of the dike, beneath the toe of the dike, and 100 to 200 feet offshore from the toe of the dike.

For seismic analysis, URS recommends determining the reduced shear strength of the fill, shoal, and Bay Mud deposits due to earthquake loading. For seismic slope stability, methods, such as Seed and Harder (1990) and dynamic methods, should be considered to account for the reduced strength of soil during earthquake loading (see Question 8, 1995 report).:

Question 2: Section 5.4, p. 7:

The report states that for the seismic analysis, the PGA = 0.4g. Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. What attenuation relations did you use to estimate PGA = 0.4g?

Treadwell & Rollo referred to the answer for previous question (Question 4 for the 1995 Geotechnical Report) stated that they "performed a Probabilistic Seismic Hazard Analysis and reported the average of …(two)… attenuation relationships for soft soil."

Agreement

Question 3: Section 6.1, pp. 9-10:

How did you estimate the distance inland that movement may affect structures?

In the response letter and in telephone correspondence dated December 19, 2003, Treadwell & Rollo stated they measured the distance from the middle of the flat portion at the crown of the dike to the location where the pseudo-static slope stability failure surface with a Factor of Safety = 1 intersected the onshore ground surface.

Agreement

Question 4: Section 6.1, p. 9:

Did you consider the likelihood of slope failure through the island perimeter at locations other than the northwest and southeast corners? For example, the northeast corner, southwest corner and southeast corner where the Bay Mud thickness is less than 40 feet.

Treadwell & Rollo stated that scope of work for the slope stability evaluation covered only those locations that were identified in the 1995 Geotechnical Report.

Agreement with Qualification – URS understands that the Treadwell & Rollo slope stability evaluation only covered those areas identified in the 1995 Geotechnical Report. URS suggests conducting a qualitative evaluation of the potential for dike instability at the other areas of the island (i.e., north, northeast, east, south, and southwest) in light of the results of the 2000 Slope Stability Evaluation and in light of additional recommended slope

stability analysis (see URS comments after Question 8, 1995 report and Question 1, 2000 report)

Question 5: Section 6.2, p. 11:

How did you choose the recommended depth (35 feet) of penetration into the Bay Mud for the soil cement columns?

Treadwell & Rollo explained that they chose a depth 10 feet deeper than the depth of the failure slip surface below the top of the dike.

Agreement with Qualifications – We concur with Treadwell & Rollo's method for choosing the depth of the soil cement columns. However, we recommend re-evaluating the depth based on additional investigation and analysis, as suggested in the general conclusions section and in the specific conclusions regarding Question 1.

3.3 TREADWELL & ROLLO, MAY 17, 2002, "GEOTECHNICAL CONSULTATION, PROPOSED WETLANDS AT NORTHWEST CORNER OF TREASURE ISLAND, TREASURE ISLAND DEVELOPMENT, SAN FRANCISCO, CALIFORNIA."

This letter report discusses the geotechnical issues associated with a proposed wetlands area constructed at the northwest corner of the island. The report concludes that the wetland perimeter can be located far enough inland so that it is not susceptible to deep-seated slope failure, as identified in the 2000 Slope Stability Evaluation. The report also recommends stone columns to mitigate the potential for liquefaction-induced lateral spread displacement.

URS concurs with the preliminary conclusions and recommendations presented in this letter report.

Question 1: p. 2:

In the Treadwell & Rollo 2000 Slope Stability Evaluation report, Figures 9 through 11 illustrate static and seismic failure circles for three cross-section locations on the northwest corner of the island. Is the proposed wetland perimeter located inland from where the failure circles intersect the ground surface?

Treadwell & Rollo confirmed that "the lateral limits of the proposed wetlands at the northwest corner of the island extend beyond the locations where the failure surfaces from…(the)…slope stability evaluation intersect the existing ground surface."

Agreement

3.4 TREADWELL & ROLLO, JUNE 6, 2002, "GEOTECHNICAL CONSULTATION, CONCEPTUAL FOUNDATION SYSTEMS FOR BUILDINGS AT TREASURE ISLAND, TREASURE ISLAND REUSE PROJECT, SAN FRANCISCO, CALIFORNIA."

This letter report presents conceptual foundation systems for proposed new buildings on Treasure Island. The report discusses preliminary foundation types for proposed buildings up to four stories high and proposed buildings higher than four stories.

URS agrees with the preliminary foundation recommendation of deep piles for buildings higher than four stories.

For buildings up to four stories high, Treadwell & Rollo states that intolerably high differential settlement can arise from a combination of three sources: (1) consolidation-related settlement, (2) liquefaction and ground rupture-induced loss of soil, and (3) liquefaction-induced densification.

Treadwell & Rollo suggests mitigating the effects of unacceptable differential settlement by one of three options:

1. Found the building on deep foundations,

2. Perform soil improvement or ground modification to eliminate the potential for liquefaction-induced settlements and found the building on a sufficiently stiff mat to accommodate consolidation-related settlement, or

3. Construct a 10-foot-wide strip of reinforced soil around the building to reduce the potential for liquefaction and ground rupture-induced loss of soil settlement. In

addition, found the building on a sufficiently stiff mat to accommodate consolidation-related and liquefaction-induced settlement.

URS agrees with Options 1 or 2. We recommend either founding the building on deep piles or performing soil improvement/ground modification and founding the building on a stiff mat.

URS does not recommend Option 3 because we believe there still may be too much differential settlement. As stated in the Treadwell & Rollo report, "liquefaction-induced ground settlement … could be between 3 and 24 inches. Differential settlement is difficult to predict…" We believe that the combination of consolidation related settlement and liquefaction-induced settlement may prove to cause intolerably high differential settlement.

If Option 2 is chosen, URS recommends mitigating the magnitude of consolidation-related settlement by pre-consolidating the site with surcharge load prior to construction. Depending upon site-specific subsurface conditions, wick drains can be installed to accelerate the pre-consolidation.

URS also recommends performing a site-specific investigation in order to optimize the foundation system for each proposed building.

Because of the level of uncertainty inherent in the prediction of liquefaction-induced settlement arising from volumetric loss of soil after ground rupture and from densification, URS believes that Option 3 may involve a higher level of risk of damage to existing and future buildings due to earthquake shaking and liquefaction. Therefore, we recommend understanding the level of risk by conducting a Probable Maximum Loss (PML) study. The PML is a financial measure of the seismic vulnerability of a building. It is expressed as a ratio of the cost to restore an earthquake-damaged structure to pre-earthquake condition divided by the total building replacement value. There are several factors involved in the calculation of PML including type of structure, geological and geotechnical issues, proximity to faults, and probable seismic activity. Regarding the geological and geotechnical issues, we believe that the PML associated with Options 1 or 2 would be low compared to Option 3.

Question 1: p. 2

Can you provide a sample calculation package to support the estimated consolidation differential settlement of 6 inches over 25 feet for proposed buildings up to four stories?

Treadwell & Rollo provided load assumptions and soil parameters that they used to calculate the settlements.

Agreement

Question 2: p. 3:

Can you provide a sample calculation package (including skin friction and friction angle parameters) to support the estimated net allowable pile capacity of 150 kips for proposed buildings greater than four stories?

Treadwell & Rollo provided skin friction and factors of safety that they used for the preliminary pile capacities.

Agreement

4.0 SUMMARY OF RECOMMENDATIONS

Based on our conclusions and recommendations presented in Section 3.0, we sufficiently concur with Treadwell & Rollo's technical approach and recommendations to suggest the Treasure Island development negotiations move forward, provided that the following recommendations are considered as part of the engineering evaluation of the final development plans. For each recommendation, we reference in parentheses the relevant Treadwell & Rollo report:

1. URS recommends conducting additional investigation and analysis to establish the characteristics of the onshore and offshore Young Bay Mud. This should be completed prior to final design of the method to mitigate the potential dike movement (2000 Slope Stability Evaluation).

2. URS recommends conducting additional seismic slope stability analysis to account for the reduced shear strength of the fill, shoal, and Bay Mud deposits

during earthquake loading. (1995 Geotechnical Report and 2000 Slope Stability Evaluation)

3. We recommend Treadwell & Rollo re-evaluate the depth of proposed soil-cement columns based on the recommended additional investigation and analysis (2000 Slope Stability Evaluation).

4. We recommend considering the deep soil-cement mixing method to mitigate both the potential for deep-seated failure and lateral spread due to liquefaction (2000 Slope Stability Evaluation). (Note: In a letter dated January 8, 2004 that responded to URS' draft peer review report, Treadwell & Rollo stated that it is possible that stone-column and soil-cement column installation costs may have changed since their last evaluation in 2000. They agreed that the cost for mitigation methods should be re-evaluated based on current technology and costs.)

5. We recommend conducting a Probable Maximum Loss (PML) study to assess the risk of damage to existing and future buildings due to earthquake shaking and liquefaction (June 6, 2002 Geotechnical Consultation).

6. We recommend conducting a cost comparison study to evaluate the optimum foundation scheme for each new development (1995 Geotechnical Report).

7. We recommend conducting an updated evaluation of the geologic and geotechnical hazards based on developments in geotechnical analysis techniques since 1995 (1995 Geotechnical Report).

8. We suggest performing a qualitative evaluation of the potential instability at the areas of the island that were not studied in the 2000 Slope Stability Evaluation (2000 Slope Stability Evaluation).

5.0 LIMITATIONS

The conclusions presented in this report are based on URS' understanding of the project requirements. URS warrants that its services were performed with the level of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under similar conditions. No other warranty or representation, either expressed or implied, is included or intended hereunder.

6.0 REFERENCES

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October 17, 1989: Strong Ground Motion and Ground Failure, U.S. Geological Survey Professional Paper 1551-A, pp. A109-A121.

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URS

We have enjoyed working with you on this peer review to support the goals of the Treasure Island Development Authority. We look forward to cooperating with you on any future project.

Very truly yours,

URS CORPORATION

Douglas F. Cauble, Ph.D., PE
Senior Engineer

Francis R. Greguras, PE, GE
Geotechnical Group Manager

cc: Mr. Dean Iwasa
Treadwell & Rollo, Inc.
501 14th Street, 3rd Floor
Oakland, California 94612

APPENDIX A

URS LIST OF QUESTIONS
(URS letter dated December 3, 2003)

December 3, 2003

Treadwell & Rollo, Inc.
555 Montgomery Street, Suite 1300
San Francisco, California 94111

Attention: Mr. Frank L. Rollo
Mr. Dean Iwasa

Dear Mssrs. Rollo and Iwasa:

Geotechnical Peer Review
Treadwell & Rollo Reports
Treasure Island Development Authority
San Francisco, California

The Treasure Island Development Authority has authorized URS to conduct a geotechnical peer review of the following Treadwell & Rollo, Inc. reports:

- 26 July 1995, "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California"
- 15 February 2000, "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California"
- 17 May 2002, "Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California"
- 6 June 2002, "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California"

At the start of our review of these reports, we contacted Mr. Dean Iwasa to inform him that URS was conducting the peer review. Mr. Iwasa has been very cooperative in providing figures that were missing from our copy of the 1995 Geotechnical Report.

We have reviewed these reports, and we would appreciate very much your cooperation in answering the attached list of questions. Your answers would be very helpful for us to continue our peer review process. Our schedule for completing the peer review assignment is December 12, 2003.

Once we have received your responses to these questions, we may wish to facilitate a meeting to review any remaining issues related to the peer review.

Thank you for your assistance.

Very truly yours,

URS CORPORATION

Douglas Cauble, PhD, PE
Project Engineer

Francis R. Greguras, PE
Geotechnical Group Manager

Attachment: List of Questions for Treadwell & Rollo, Inc.

cc: Jack Sylvan, Treasure Island Development Authority

LIST OF QUESTIONS FOR TREADWELL & ROLLO, INC
GEOTECHNICAL PEER REVIEW
TREADWELL & ROLLO TREASURE ISLAND REPORTS

Treadwell & Rollo, 1995, "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California."

1. Section 3.2, p. 11:
   The report states the "current elevations are the result of many years of ground settlement." Since the stated range of elevations for the dike (+10.5 to +16 feet) is above and below the initial elevation (+14 feet), are current dike elevations also the result of additional fill?

2. Section 5.0, p. 15:
   The report states that where Bay Mud thickness is greater than 60 feet (northwest corner), the Bay Mud is underconsolidated and the settlement rate may be on the order of 1 foot over the next 50 years. Can you provide more background information (e.g., calculations and interpretation of Table 2) to help explain this settlement prediction?

3. Section 8.1.1, p. 19:
   The report suggests five areas on Yerba Buena Island (YBI) as potentially unstable and that a geotechnical investigation should be performed if development is planned in the vicinity of these five locations. Based on geologic maps, there are other areas on YBI that have steep slopes and soil cover. Why were these other areas excluded from the recommendation for further geotechnical investigation?

4. Section 8.2.1, p. 20:
   The report concludes peak accelerations could be on the order of 0.4g based on design earthquakes. How did you arrive at this conclusion (i.e., what attenuation relationships did you use)? Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. The most recent (2003) California Probabilistic Shaking Map (www.consrv.ca.gov/cgs/rghm/psha) shows a PGA = 0.47g.

5. Section 8.2.2.1, p. 20:
   What method did you use to estimate settlement on the order one foot to several feet for structures that lose bearing support as a result of liquefaction?

6. Section 8.2.2.2, p. 20:
   The report states that liquefied sand can settle on the order of 3 to 24 inches, but Figure B-3 reports the range from 3 to 22 inches. Can you provide a typical calculation package for this analysis?

7. Section 8.2.2.3, pp. 20-21:
   The report states the method for predicting lateral spread (Bartlett and Youd's 1995 MRL model) was evolving and results should be considered qualitative. Then the report presents order of magnitude lateral spread displacement for the island based on the MRL model analysis and engineering judgement. Can you be more specific as to what information other that the MRL analysis you used to determine the order of magnitude displacements?

8. Section 8.2.4, p. 23:
What method did you use to estimate 5 feet of slope movement due to deep failures in the recent bay mud? Did you conduct an analysis of dike movement based on Makdisi & Seed (1978)? Were slope deformations evaluated using residual strengths in the liquefied soils?

9. Section 9.1.2, p. 24:
The report suggests dynamic compaction as a method to densify artificial fill on YBI. On page 26 in the last paragraph of Section 9.2.2.1, the report states "Since dynamic compaction is potentially damaging…" Is this also applicable for dynamic compaction work on YBI?

10. Section 9.2.2.3, p. 27:
The report states a proposed new rock berm would replace the existing berm. Do you mean to state that a proposed new rock berm would be constructed outboard of the existing rock berm?

11. Section 9.2.3, pp. 28-29:
The report seems to suggest that it is not cost-effective to modify the ground beneath existing buildings, but that the existing buildings should be lifted in order to construct new mat foundations. The existing buildings with the new mat foundations would have a reduced risk of collapse, but may not be functional after an earthquake. It may be appropriate to state the actual cost of improving the ground beneath existing buildings in order to eliminate the risk of collapse. It seems that it may not be worth the effort to only add a mat foundation if the existing building could still collapse. Were cost comparisons performed for ground modification beneath existing buildings and for lifting buildings to install a new mat foundation?

12. Section 9.2.3.2, p. 30:
The report states that new loads typically would cause 1 to 2 feet of settlement over 20 to 30 years. What range of new loads would cause these typical settlements?

Treadwell & Rollo, 2000, "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California."

1. Section 5.2, pp. 5-6:
The report provides a table of soil parameters that were used for the slope stability analyses. The report also provides figures illustrating the stratigraphy that was used for the analyses. Compared to the descriptions of the sandy fill and shoal materials as being loose to medium dense, the choice of friction angle of 37° seems high. For similar reasons, the choice of 700 psf, 500 psf, and 1,100 psf for cohesion for the sandy clay shoal material, offshore recent bay mud, and onshore recent bay mud, respectively, seem high. The report states that the basis for these parameters are the CPTs and selected subsurface data from previous investigations. Can you provide more details regarding your choice of soil parameters?

2. Section 5.4, p. 7:
The report states that for the seismic analysis, the PGA = 0.4g. Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. What attenuation relations did you use to estimate PGA = 0.4g?

3. Section 6.1, pp. 9-10:
How did you estimate the distance inland that movement may affect structures?

4. Section 6.1, p. 9:
Did you consider the likelihood of slope failure through the island perimeter at locations other than the northwest and southeast corners? For example, the northeast corner, southwest corner and southeast corner where the Bay Mud thickness is less than 40 feet.

5. Section 6.2, p. 11:
How did you choose the recommended depth (35 feet) of penetration into the Bay Mud for the soil cement columns?

Treadwell & Rollo, May 17, 2002, "Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California."

1. p. 2:
In the Treadwell & Rollo 2000 Slope Stability Evaluation report, Figures 9 through 11 illustrate static and seismic failure circles for three cross-section locations on the northwest corner of the island. Is the proposed wetland perimeter located inland from where the failure circles intersect the ground surface?

Treadwell & Rollo, June 6, 2002, "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Reuse Project, San Francisco, California."

1. p. 2:
Can you provide a sample calculation package to support the estimated consolidation differential settlement of 6 inches over 25 feet for proposed buildings up to four stories?

2. p. 3:
Can you provide a sample calculation package (including skin friction and friction angle parameters) to support the estimated net allowable pile capacity of 150 kips for proposed buildings greater than four stories?

References

Rollins, K.M., Mehood, M.D., Hryciw, R.D., Homolka, M., S.E. Shewbridge, 1994, "Ground Response on Treasure Island," from *The Loma Prieta, California, Earthquake of October 17, 1989: Strong Ground Motion and Ground Failure*, U.S. Geological Survey Professional Paper 1551-A, pp. A109-A121.

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APPENDIX B

TREADWELL & ROLLO RESPONSES TO URS LIST OF QUESTIONS
(Treadwell & Rollo letter dated December 15, 2003)

Treadwell&Rollo

15 December 2003
Project 1719.04

Mr. Francis R. Greguras
URS Corporation
221 Main Street, Suite 600
San Francisco, California 94105

Subject: Response to URS Geotechnical Peer Review Comments and Questions
Treasure Island Development Authority
San Francisco, California

Dear Mr. Greguras:

This letter presents our responses to peer review comments and questions by URS Corporation regarding the Treasure Island Development. These comments and questions were transmitted to us in a letter dated 3 December 2003, and a copy of the letter is attached for reference.

Specifically, this letter responds to questions regarding the following Treadwell & Rollo documents:

- "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California", dated 26 July 1995
- "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California", dated 15 February 2000
- "Geotechnical Consultation, Proposed Wetland at Northwest Corner of Treasure Island", dated 17 May 2002
- Draft "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California", draft date 6 June 2002.

RESPONSE TO QUESTIONS REGARDING GEOTECHNICAL REPORT

Response to Question 1 (Geotechnical Report)

During our 1995 study, we did not find information indicating whether rock was placed to raise the elevation of the dike. However, based on our understanding of Bay Mud consolidation under the weight of the rock dike, we suspect the perimeter dike experienced substantial settlement subsequent to its original construction in 1936. Therefore, we believe additional rock was placed to achieve the current grades.

Treadwell & Rollo, Inc. *Environmental & Geotechnical Consultants*
501 14th Street, Third Floor, Oakland, CA 94612
Telephone (510) 874-4500 Facsimile (510) 874-4507

Response to Question 2 (Geotechnical Report)

During our study, we evaluated consolidation test reports presented in the Geomatrix (1990) report titled *Perimeter Dike Stability Evaluation,* and concluded that several samples of the Bay Mud collected from the northwestern portion of the site were underconsolidated. Table 2 data was used to show that the northwestern portion of the island behaves differently than the remainder of the island. More specifically, Table 2 shows the northwestern portion of the island was still experiencing ongoing settlement as late as 1964, while the remainder of the island was not settling.

Subsequently, we performed preliminary consolidation analyses assuming a single-drainage condition due to the presence of old bay clays below the recent Bay Mud layer. Our intent was to show the possibility that the underlying Bay Mud layer is underconsolidated. Based on our analysis, we concluded the Bay Mud at the northwestern portion of the site (as represented by the Geomatrix boring No. 9) is likely to be underconsolidated under the existing overburden condition. Our findings were consistent with the consolidation test results and the settlement data for the northwestern portion of the island. Our preliminary consolidation analyses for the northwestern portion of the island used the following information:

- a Bay Mud thickness of 125 feet
- a fill thickness of 45 feet
- depth to groundwater of about five feet
- an average $C_{\alpha\varepsilon}$ of 0.23 (based on consolidation reports in the Geomatrix report)
- single-drainage condition
- an estimated C_v of 15 feet squared per year
- initial placement of fill on about August 1937
- settlement after 58 years of about 5.7 feet
- settlement after 108 years of about 6.8 feet.

Thus, we preliminarily concluded that about one foot of additional settlement over a 50 year period may still occur at the northwestern portion of the site.

Response to Question 3 (Geotechnical Report)

The current reuse plan indicates a majority of the Yerba Buena Island (YBI), including steep soil-covered slopes, will be exchanged or swapped for lands currently encumbered by the California State Lands Commission (Tidelands Trust) on Treasure Island (TI), which includes proposed building areas. Therefore, the development of steep soil-covered slopes on YBI is likely to be severely restricted, with the exception of proposed beach trails that may be required to enhance the beneficial use of the proposed Tideland Trust lands on YBI. For the purpose of planning the alignment of new beach access trails, we have identified areas of known slope stability concerns. By identifying these areas during the planning stage of the reuse plan, the project team was able to understand the potential for slope instability and specific locations where there is a higher than normal probability of encountering unstable slopes.

It is true that additional areas of steep, soil-covered slopes are present at the site, and that these areas may become potentially unstable due to new site development and/or natural environmental conditions, i.e. earthquakes and heavy rain. However, during our study, which included a review of available studies and reports for YBI, we did not find information that would preclude the development of proposed beach access trails on the steep slopes at the site. In addition, from our review of the USGS report titled *Historic Ground Failures in Northern California Associated with Earthquakes*, prepared by Youd and Hoose (1978), we did not find references to any ground failures on YBI associated with strong shaking during the 1906 Earthquake along the San Andreas Fault. It is our view that site-specific geological/geotechnical investigations should be performed for any proposed improvement on YBI, and that these studies would be used to identify the prominent issues associated with the planning and design of beach access trails and improvements as proposed by the Tideland Trust.

Response to Question 4 (Geotechnical Report)

Geomatrix performed SHAKE analyses based on site-specific subsurface conditions at TI. The results of their analyses indicate a range of peak ground accelerations (PGA) between 0.38g and 0.47g. Geomatrix concluded a design level PGA of 0.4g should be used for TI. In 1995, Treadwell & Rollo evaluated the Geomatrix results using the attenuation/amplification relationship for soft soil sites developed by Idriss (1990). The relationship developed by Idriss indicates that peak rock accelerations (PRA) on the order of 0.1g can be amplified to PGA values in the range of 0.11g to 0.32g, with a median value of about 0.21g. Similarly, a larger PRA of 0.45g will be attenuated and amplified to values between about 0.33g and 0.49g, respectively, with a median value of about 0.41g. Based on this comparison, we judged 0.4g is appropriate for use as the design level PGA for TI. In our opinion, the Geomatrix study had a similar range of results and median value as the Idriss study.

Also, because of the liquefaction potential at TI and by reviewing time histories during the Loma Prieta Earthquake, the attenuating effects of soil liquefaction on the ground response should be anticipated. This observation is consistent with those recently described by Professor Youd during the H. Bolton Seed Memorial Award presentation on 23 October 2003.

Considering that site-specific subsurface conditions will have a large influence on the seismic design of new structures, it is our view that site-specific seismic response analyses should be performed for each new development proposed for TI, where the conditions are substantially different from those described in the Geomatrix SHAKE analysis. The site-specific response analyses should consider both the initial ground shaking associated with non-liquefiable site conditions and the ground response assuming a liquefied or soft soil condition, as appropriate. In this way, the most current understanding of seismic response of liquefiable and soft soil sites can be incorporated into the design of each new structure.

With regards to the use of a larger PGA of 0.45g to 0.47g, we judge that these values are appropriate for sites on YBI and potentially for sites where deep soil improvements have been performed. Again, we recommend performing site-specific response analyses to model each site with substantially different subsurface conditions.

Response to Question 5 (Geotechnical Report)

Section 8.2.2.1 of our report discusses the potential for liquefaction-induced ground rupture, sand boils, and loss of bearing support. We used the method developed by Ishihara (1985) that compares the thickness of non-liquefiable surface soil to the thickness of the underlying liquefiable sand layer for determining whether liquefaction-induced ground rupture is likely to occur.

If ground rupture occurs, the underlying liquefied soil is no longer confined and may flow to the ground surface and form sand boils. Loss of bearing support can either occur as a result of volumetric loss of soil from beneath new and/or existing foundations or due to the sudden reduction in the undrained residual strength of liquefied soil. The residual strength of liquefied soil can be evaluated using methods such as the SPT-based procedures developed by Seed and Harder (1990). Our estimate of liquefaction-induced settlement associated with volumetric loss of soil is empirical. Settlement associated with the loss of bearing support will be a function of building foundation type and subsurface conditions, and could be relatively large for heavily loaded footings or at sites where "punching" failures occur.

Therefore, our settlement estimate was presented as a wide range of values (one foot to several feet) to inform the reader that significant settlement can occur as a result of liquefaction and loss of foundation support during a seismic event.

Response to Question 6 (Geotechnical Report)

The liquefaction-induced sand densification values of 3 to 22 inches, as presented on Figure B-3 of our report, are correct. A typical liquefaction analyses is attached with this letter. Similar analyses were performed using data from other geotechnical reports that are available at the Treasure Island Development Authority offices. Based on our analytical results, we concluded that liquefaction-induced settlement can vary widely across the site; therefore, it is our view that site-specific assessments of liquefaction-induced ground deformation should be performed to evaluate the expected performance of each project site.

Response to Question 7 (Geotechnical Report)

As discussed in Section 8.2.2.3 of our report, we used the multiple linear regression (MLR) model developed by Bartlett and Youd (1995). The peer review comments describe a "MRL" model in which we believe to be a typographical error for the MLR model. The MLR was selected and presented in our study because the method is based on case history studies. Also, in our opinion, slope stability based slope deformation analysis methods, such as Makdisi and Seed (1977), may not be appropriate when computing liquefaction-induced lateral spreading. However, for slope deformation analyses associated with deep rotational failures, we believe the Makdisi and Seed analysis method is appropriate. Additional analytical methods other than the MLR model were not used in our lateral spread analyses; however, a qualitative evaluation of reports describing historic lateral deformations associated with soil liquefaction in the San Francisco Bay Area were reviewed as part of our study. Several of these descriptions of historic deformations, especially a few of those described in the USGS report titled *Historic Ground Failures in Northern California Associated with Earthquakes*, prepared by Youd and Hoose (1978), describe historic lateral spread deformations that have resulted in significant ground displacement and building damage.

Response to Question 8 (Geotechnical Report)

The deep-seated rotational failure of slopes was originally evaluated for the northwestern portion of the island where the Bay Mud layer is thickest and where the Bay Mud was suspected to be underconsolidated based on the existing overburden condition. We assumed Bay Mud shear strengths associated with an underconsolidated condition and performed preliminary slope deformation analyses using the Makdisi and Seed analysis method. As a result of our

preliminary analyses, we concluded that the potential for seismic slope deformations of about five feet may occur at the northwestern portion of the island. We performed additional analyses to evaluate the feasibility of mitigating deep-seated rotational failures by using soil improvement methods (such as soil-cement columns) to increase the shear resistance along the failure surface. The results of our seismic deformation analysis of a slope underlain by improved soil indicated that lateral displacements could be reduced to less than one foot. Subsequently, we recommended additional studies be performed to evaluate the stability of the slope at the northwestern and southeastern portions of the island, and to better assess the lateral extent and need for deep soil improvement. Subsequent studies were performed and presented in our report titled *Slope Stability Evaluation*, dated 15 February 2000. The conclusions and recommendations presented in our 15 February 2000 supercede the preliminary conclusions and recommendations presented in our 1995 Geotechnical Report.

Response to Question 9 (Geotechnical Report)

As previously discussed in our response to question 3, a large part of the City-controlled portion of YBI is likely to be exchanged or swapped for lands on TI that are currently encumbered by the Tidelands Trust. Therefore, it is unlikely that significant development of YBI shoreline areas will be allowed. In addition, many areas of YBI either consist of dune sand on steep slopes or historic structures on loose sand. Considering the potential for strong vibrations associated with deep-dynamic compaction, we anticipate that the application of this method of soil improvement at YBI will be very limited.

Response to Question 10 (Geotechnical Report)

The proposed rock berm could either replace or incorporate the existing berm, or the proposed rock berm could be constructed outboard of the existing one. In our view, the later option is easiest to construct; however, there may be permit restrictions associated with the expansion or widening of TI. Therefore, limiting the acceptable alternatives to either replacing or incorporating the existing rock berm into the proposed earth structure.

Response to Question 11 (Geotechnical Report)

The proposed seismic strengthening of existing buildings at TI is a difficult issue to fully address due to variations in building size, building type, foundation conditions, and existing subsurface conditions. Soil improvement techniques can be used to strengthen and/or densify soil at the building sites. Soil improvement can reduce the potential for soil liquefaction, ground rupture, and cyclic soil densification. However, some soil improvement methods, such as compaction grouting or other soil densification techniques, can have an adverse impact associated with

increasing the overburden stress on the underlying Bay Mud layer and potentially causing a new cycle of consolidation-related settlement. Existing buildings supported on conventional shallow spread-type footings may not perform well when subjected to long-term consolidation-related settlement.

One possible method of seismically-strengthening existing buildings that are currently supported on conventional spread footings, without causing a new cycle of consolidation-related settlement, is to replace the existing foundation system with an appropriately designed reinforced concrete mat. This type of foundation system would be better able to accommodate ground settlement associated with soil liquefaction, while not increasing the overburden stress on the underlying Bay Mud.

Site-specific foundation investigations and engineering analyses can be performed to better estimate the amount of settlement associated with various soil improvement techniques. For some sites, we judge that the use of conventional spread footings in conjunction with soil improvement may be feasible. For other sites, deep foundations may be the only safe foundation option.

Cost comparisons for ground modification beneath existing buildings and for stiffening existing buildings by adding a new reinforced concrete mat were not performed by Treadwell & Rollo for the reuse of existing buildings.

Response to Question 12 (Geotechnical Report)

Our settlement estimates were based on an assumed condition where:

- subsurface conditions consist of about 45 feet of sand and shoal deposits over an approximately 40-foot-thick layer of compressible Bay Mud; groundwater was estimated at a depth of about five feet
- minor grading of about one foot of new fill is placed and compacted at the site
- the new building is supported on a mat foundation with a uniform bearing pressure of about 400 pounds per square foot (psf)
- the underlying sand and shoal deposits are densified from a dry density of about 90 to 100 pounds per cubic foot (pcf) to about 120 to 125 pcf.

RESPONSE TO QUESTIONS REGARDING SLOPE STABILITY EVALUATION

Response to Question 1 (Slope Stability Evaluation)

The choice of the parameters was based on the CPT data presented in our slope stability evaluation report. The friction angle from the CPT data generally range from 30 to 40 degrees with a majority of the data falling above 35 degrees. The friction value of 37 degrees represents an average value for the analyzed cases.

For the sandy clay shoal deposit, a value of 700 psf was used in the analyses. The choice of this value is once again based on the site-specific CPT data as well as the results from previous investigations. The CPT data for this layer suggest its undrained strength is generally greater than 1,000 psf. Considering the subsurface variations and the fact that the areas where the CPTs encountered this deposit it is overlain by about 30 feet of soil, the choice of 700 psf is reasonable.

The onshore Bay Mud at the northwestern portion of the island is generally overlain by more than 50 feet of soil. The CPT data suggest the undrained strength of the Bay Mud is more than 1,000 psf. Considering that the strength of normally consolidated clay increases with depth, the undrained shear strength value of 1,100 psf is intended to be a reasonable average for the strata.

The offshore Bay Mud for analyzed cases A-A', B-B', and D-D' is overlain by about 5 to 15 feet of soil. For case C-C', the offshore Bay Mud is not overlain by other soil. Geomatrix (1990) performed a comprehensive review of the subsurface data at Treasure Island. They also performed a number of slope stability analyses to evaluate the stability of the perimeter dikes. The assigned values for the undrained shear strength of the offshore Bay Mud range from 90 psf near the surface to about 1,130 psf in the top 61 feet. A weighted average of the offshore Bay Mud shear strengths used in the Geomatrix stability analyses in the top 60 feet is about 510 psf. Therefore, the value of 500 psf used in our analyses is a reasonable average value. Furthermore, the perimeter dikes have been statically stable for more than 50 years with no reported static stability issues, suggesting that the strength values used in our analyses are appropriate.

Response to Question 2 (Slope Stability Evaluation)

Please refer to our previous response to Question 4 (Geotechnical Report). Also, for our estimates of PGA's presented in Table 3 of our *Slope Stability Evaluation*, we performed a Probabilistic Seismic Hazard Analysis and reported the average of the Crouse (1995) and Boore et al. (1997) attenuation relationships for soft soil.

Response to Question 3 (Slope Stability Evaluation)

The distances were measured from the failure surfaces obtained from the psuedo-static analyses, where the computed *factor of safety* equaled 1.0.

Response to Question 4 (Slope Stability Evaluation)

As presented in the introduction of the 15 February 2000 report, the focus of the study was to evaluate areas where potential deep-seated failures were delineated in the Treadwell & Rollo 1995 report. Therefore, we did not consider other areas beyond those presented in our report.

Response to Question 5 (Slope Stability Evaluation)

This depth was recommended after examination of the results presented in Figure 10 of the slope stability evaluation report. We assumed the soil-cement column would be constructed at the top of the dike. Therefore, a depth of 35 feet into the Bay Mud will extend the tip of the soil-cement columns to a depth of about 10 feet below the failure surface. This revised recommended depth supercedes the recommended soil-cement column depth presented in our 1995 Geotechnical Report.

RESPONSE TO QUESTIONS REGARDING PROPOSED WETLANDS AT NORTHWEST CORNER OF TREASURE ISLAND

Response to Question 1 (Wetlands at Northwest Corner)

The lateral limits of the proposed wetlands at the northwest corner of the island extend beyond the locations where the failure surfaces from our slope stability evaluation intersect the existing ground surface. Therefore, the approximate zone of slope deformation would lie within the proposed wetland area.

RESPONSE TO QUESTIONS REGARDING CONCEPTUAL FOUNDATION SYSTEMS FOR BUILDINGS AT TREASURE ISLAND

Response to Question 1 (Conceptual Building Foundations)

Our settlement estimates were based on an assumed condition where:

- subsurface conditions consist of about 45 feet of sand and shoal deposits over an approximately 40-, 60-, 80- or 100-foot-thick layers of compressible Bay Mud; an

average C_{cc} of 0.23 was used for the Bay Mud; groundwater was estimated at a depth of about five feet

- minor grading of less than one foot
- the new buildings are supported on a reinforced mat with a rigid first floor with an allowable bearing capacity of about 1,000 psf
- single- and double-drainage conditions
- differential settlements are estimated to be equal to about one-half of the total settlement and will occur across a bay width of about 25 feet; differential settlements are computed assuming a 50-year useable building life.

Differential settlements at 50 years after construction are estimated to be:

- 3 to 4 inches for 40-foot-thick Bay Mud layer
- 3 to 5 inches for 60-foot-thick Bay Mud layer
- 3 to 5 inches for 80-foot-thick Bay Mud layer
- 3 to 4 inches for 100-foot-thick Bay Mud layer.

Therefore, our conclusion of differential settlement of about six inches across a 25-foot distance is conservative.

Response to Question 2 (Conceptual Building Foundations)

Our preliminary pile capacities are based on:

- down-drag skin friction value of 300 psf for liquefied sand and bay mud layers; no factor of safety is applied to this value
- variable soil consisting of stiff to hard clays and dense to very dense sand below Bay Mud layer; assumed average skin friction value of 2.0 ksf; a factor of safety of 2.0 is applied to the supporting soil values.

Ideally, the proposed building sites, where pile foundations are planned, will be graded in a manner that will not increase the effective overburden stress on the underlying Bay Mud layer; therefore, no down-drag loads should develop. However, due to the potential for on-going secondary compression and possible residual primary consolidation, we have included a down-drag load as part of the conceptual foundation design.

We trust this letter provides the information you require at this time. Please call if you have any questions.

Sincerely yours,
TREADWELL & ROLLO, INC.

Dean H. Iwasa
Geotechnical Engineer

REGISTERED PROFESSIONAL ENGINEER
DEAN H. IWASA
GE 2285
Exp. 3/31/06
GEOTECHNICAL
STATE OF CALIFORNIA

Craig A. Hall for
Ramin Golesorkhi, PhD
Geotechnical Engineer

17190401.OAK

Attachment: URS List of Questions for Treadwell & Rollo, Inc., received 4 December 2003
Example of Liquefaction-Induced Settlement Calculation

cc: Mr. Jack Sylvan
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REFERENCES

Boore, D. M., Joyner, W. B., and Fumal, T. E., 1997, Equations for estimating horizontal response spectra and peak acceleration from western North American earthquakes: A summary of recent work, Seismological Research Letter, 68(1), 128-153.

Crouse, C. B., 1995, Site Response Studies for Purpose of Revising NEHRP Seismic Provisions, Dames & Moore.

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ATTACHMENTS

LIST OF QUESTIONS FOR TREADWELL & ROLLO, INC
GEOTECHNICAL PEER REVIEW
TREADWELL & ROLLO TREASURE ISLAND REPORTS

Treadwell & Rollo, 1995, "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California."

1. Section 3.2, p. 11:
   The report states the "current elevations are the result of many years of ground settlement." Since the stated range of elevations for the dike (+10.5 to +16 feet) is above and below the initial elevation (+14 feet), are current dike elevations also the result of additional fill?

2. Section 5.0, p. 15:
   The report states that where Bay Mud thickness is greater than 60 feet (northwest corner), the Bay Mud is underconsolidated and the settlement rate may be on the order of 1 foot over the next 50 years. Can you provide more background information (e.g., calculations and interpretation of Table 2) to help explain this settlement prediction?

3. Section 8.1.1, p. 19:
   The report suggests five areas on Yerba Buena Island (YBI) as potentially unstable and that a geotechnical investigation should be performed if development is planned in the vicinity of these five locations. Based on geologic maps, there are other areas on YBI that have steep slopes and soil cover. Why were these other areas excluded from the recommendation for further geotechnical investigation?

4. Section 8.2.1, p. 20:
   The report concludes peak accelerations could be on the order of 0.4g based on design earthquakes. How did you arrive at this conclusion (i.e., what attenuation relationships did you use)? Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. The most recent (2003) California Probabilistic Shaking Map (www.consrv.ca.gov/cgs/rghm/psha) shows a PGA = 0.47g.

5. Section 8.2.2.1, p. 20:
   What method did you use to estimate settlement on the order one foot to several feet for structures that lose bearing support as a result of liquefaction?

6. Section 8.2.2.2, p. 20:
   The report states that liquefied sand can settle on the order of 3 to 24 inches, but Figure B-3 reports the range from 3 to 22 inches. Can you provide a typical calculation package for this analysis?

7. Section 8.2.2.3, pp. 20-21:
   The report states the method for predicting lateral spread (Bartlett and Youd's 1995 MRL model) was evolving and results should be considered qualitative. Then the report presents order of magnitude lateral spread displacement for the island based on the MRL model analysis and engineering judgement. Can you be more specific as to what information other that the MRL analysis you used to determine the order of magnitude displacements?

8. Section 8.2.4, p. 23:
What method did you use to estimate 5 feet of slope movement due to deep failures in the recent bay mud? Did you conduct an analysis of dike movement based on Makdisi & Seed (1978)? Were slope deformations evaluated using residual strengths in the liquefied soils?

9. Section 9.1.2, p. 24:
The report suggests dynamic compaction as a method to densify artificial fill on YBI. On page 26 in the last paragraph of Section 9.2.2.1, the report states "Since dynamic compaction is potentially damaging..." Is this also applicable for dynamic compaction work on YBI?

10. Section 9.2.2.3, p. 27:
The report states a proposed new rock berm would replace the existing berm. Do you mean to state that a proposed new rock berm would be constructed outboard of the existing rock berm?

11. Section 9.2.3, pp. 28-29:
The report seems to suggest that it is not cost-effective to modify the ground beneath existing buildings, but that the existing buildings should be lifted in order to construct new mat foundations. The existing buildings with the new mat foundations would have a reduced risk of collapse, but may not be functional after an earthquake. It may be appropriate to state the actual cost of improving the ground beneath existing buildings in order to eliminate the risk of collapse. It seems that it may not be worth the effort to only add a mat foundation if the existing building could still collapse. Were cost comparisons performed for ground modification beneath existing buildings and for lifting buildings to install a new mat foundation?

12. Section 9.2.3.2, p. 30:
The report states that new loads typically would cause 1 to 2 feet of settlement over 20 to 30 years. What range of new loads would cause these typical settlements?

Treadwell & Rollo, 2000, "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California."

1. Section 5.2, pp. 5-6:
The report provides a table of soil parameters that were used for the slope stability analyses. The report also provides figures illustrating the stratigraphy that was used for the analyses. Compared to the descriptions of the sandy fill and shoal materials as being loose to medium dense, the choice of friction angle of 37° seems high. For similar reasons, the choice of 700 psf, 500 psf, and 1,100 psf for cohesion for the sandy clay shoal material, offshore recent bay mud, and onshore recent bay mud, respectively, seem high. The report states that the basis for these parameters are the CPTs and selected subsurface data from previous investigations. Can you provide more details regarding your choice of soil parameters?

2. Section 5.4, p. 7:
The report states that for the seismic analysis, the PGA = 0.4g. Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. What attenuation relations did you use to estimate PGA = 0.4g?

3. Section 6.1, pp. 9-10:
How did you estimate the distance inland that movement may affect structures?

4. Section 6.1, p. 9:
Did you consider the likelihood of slope failure through the island perimeter at locations other than the northwest and southeast corners? For example, the northeast corner, southwest corner and southeast corner where the Bay Mud thickness is less than 40 feet.

5. Section 6.2, p. 11:
How did you choose the recommended depth (35 feet) of penetration into the Bay Mud for the soil cement columns?

Treadwell & Rollo, May 17, 2002, "Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California."

1. p. 2:
In the Treadwell & Rollo 2000 Slope Stability Evaluation report, Figures 9 through 11 illustrate static and seismic failure circles for three cross-section locations on the northwest corner of the island. Is the proposed wetland perimeter located inland from where the failure circles intersect the ground surface?

Treadwell & Rollo, June 6, 2002, "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Reuse Project, San Francisco, California."

1. p. 2:
Can you provide a sample calculation package to support the estimated consolidation differential settlement of 6 inches over 25 feet for proposed buildings up to four stories?

2. p. 3:
Can you provide a sample calculation package (including skin friction and friction angle parameters) to support the estimated net allowable pile capacity of 150 kips for proposed buildings greater than four stories?

References

Rollins, K.M., Mchood, M.D., Hryciw, R.D., Homolka, M., S.E. Shewbridge, 1994, "Ground Response on Treasure Island," from *The Loma Prieta, California, Earthquake of October 17, 1989: Strong Ground Motion and Ground Failure*, U.S. Geological Survey Professional Paper 1551-A, pp. A109-A121.

Makdisi, F.I. and H.B. Seed, 1978, "Simplified Procedure for Estimating Dam and Embankment Earthquake Induced Deformations," *ASCE Journal of Geotechnical Engineering,* v. 104, no. GT7, July, pp. 849-867.

TREASURE ISLAND - LIQUIFACTION ANALYSIS

Example of Liquefaction Induced Settlement Analyses.

Index # 11-12; Woodward-Clyde B-1,2; 9/60

M =	8.25
amax =	0.4
Cm =	0.89

Water Depth (ft) = 7.0

Moist Den =	115.0
Sat Den =	125.0

SUB-LAYER	TOP (ft)	BOTTOM (ft)	DEPTH (ft)	Ho (ft)	(N1)60	SIGMAo (tsf)	SIGMAo' (tsf)	rd	Ksigma	Kalpha	CSR eq	M = 7.5 CSR liq	M = 8.25 CSR liq	FS liq
1	0.0	7.0	3.5	7.0	43	0.20	0.20	0.99	1.00	1.00	0.26	0.60	0.53	2.07
2	7.0	18.0	12.5	11.0	27	0.75	0.57	0.97	1.00	1.00	0.33	0.37	0.33	1.01
3	18.0	24.0	21.0	6.0	16	1.28	0.84	0.95	1.00	1.00	0.38	0.19	0.17	0.45
4	24.0	27.0	25.5	3.0	8	1.56	0.98	0.94	1.00	1.00	0.39	0.10	0.09	0.23
5	27.0	31.0	29.0	4.0	20	1.78	1.09	0.92	0.98	1.00	0.39	0.26	0.23	0.58

ISHIHARA/YOSHIMINE (1990)

SUB-LAYER	(N1)60	1.1 x (N1)60	FS liq	Ec (%)	LAYER THICKNESS (ft)	DELTA H (in)
1	43	47	2.07	0.1	7.0	0.1
2	27	30	1.01	0.5	11.0	0.7
3	16	18	0.45	2.3	6.0	1.7
4	8	9	0.23	3.7	3.0	1.3
5	20	22	0.58	2.1	4.0	1.0
					TOTAL	4.7

TOKIMATSU/SEED (1984)

SUB-LAYER	(N1)60	CSR eq	Ec (%)	LAYER THICKNESS (ft)	DELTA H (in)
1	43	0.23	0.1	7.0	0.1
2	27	0.29	0.2	11.0	0.3
3	16	0.33	1.9	6.0	1.4
4	8	0.35	3.0	3.0	1.1
5	20	0.35	1.6	4.0	0.8
				TOTAL	3.5

APPENDIX C

TREADWELL & ROLLO SUPPLEMENTAL RESPONSES TO URS LIST OF QUESTIONS
(Treadwell & Rollo letter dated January 9, 2004)

Treadwell&Rollo

8 January 2004
Project 1719.04

Mr. Francis R. Greguras
URS Corporation
221 Main Street, Suite 600
San Francisco, California 94105

Subject: Supplemental Information
Response to URS Geotechnical Peer Review Comments and Questions
Treasure Island Development Authority
San Francisco, California

Dear Mr. Greguras:

This letter responds to supplemental peer review comments and questions presented by URS Corporation in its letter dated 22 December 2003. On the basis of our review of the draft report, we concur with the URS comments and recommendations except as discussed below:

Supplemental Response to Question 8: Section 8.2.4, p. 23:

URS Question: Were slope deformations evaluated using residual strengths in the liquefied soils?

T&R Response: Residual strengths in the liquefied soils were not used during our evaluation of the potential for deep-seated rotational failures at the northwestern portion of the island where the Bay Mud layer is thickest (see our report titled *Slope Stability Evaluation* dated 15 February 2000). Residual strengths were not used because we selected a simplified procedure for estimating earthquake-induced slope deformations (Makdisi and Seed, 1977). The Makdisi and Seed procedure is restricted in application to soils that experience very little reduction in strength due to cyclic loading.

We acknowledge that a loss of undrained shear strength may occur in liquefied soil at the site. However, the primary failure mode of the potentially liquefiable soil layer will consist of either a shallow failure surface, as indicated in Geomatrix (1990), or lateral spreading within the loose to medium dense sand fill and shoal sands, as described in our 1995 Geotechnical Report. Both of these modes of failure can be mitigated by the installation of stone-columns or soil-cement columns around the perimeter of the island.

Supplemental Comment to the URS Recommendation No. 2

URS Recommendation: The deep soil-cement mixing method should be considered for mitigating both the potential for deep-seated failure and lateral spread due to liquefaction.

T&R Comment: During the preparation of our 1995 Geotechnical Report and 2000 Slope Stability Evaluation, we contacted several soil improvement contractors to discuss the feasibility

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and cost of installing stone-columns and soil-cement columns. At that time, we concluded that the unit cost of installing stone-columns was less than the unit cost for soil-cement columns. It is possible that the installation costs have changed since our last evaluation in 2000. Therefore, we agree with URS that the cost for stabilizing the island perimeter should be re-evaluated based on current soil improvement technologies and pricing.

We appreciate the opportunity to discuss and respond to geotechnical issues regarding the planned development of Treasure Island. In our opinion, the URS peer review was very thorough and the comments, questions, and recommendations were very thoughtful. We trust this letter provides the information you require at this time. If you have any additional questions, please call.

Sincerely yours,
TREADWELL & ROLLO, INC.

Dean H. Iwasa
Geotechnical Engineer

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cc: Dr. Douglas F. Cauble, URS Corporaton
Mr. Jack Sylvan, Treasure Island Development Authority
Mr. Steven Proud, Treasure Island Development Authority
Mr. Jay Wallace, Treasure Island Community Development, LLC

REFERENCES

Geomatrix Consultants (Geomatrix), 1990, Perimeter Dike Stability Evaluation, Naval Station Treasure Island, San Francisco, Volume 3, 25 October 1990.

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Treadwell & Rollo, Inc. 2000, Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California, 15 February.

Treadwell & Rollo, Inc., 2002a, Geotechnical Consultation, Proposed Wetland at Northwest Corner of Treasure Island, 17 May.

Treadwell & Rollo, Inc., 2002b, Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California (draft), date 6 June.

Notes

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation and Endorsement of Proposed Tidelands Trust Exchange Map

Agenda Item No. 11
Meeting of March 10, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

The 1996 Reuse Plan ("Reuse Plan") for former Naval Station Treasure Island ("NSTI") recognized that one of the major issues affecting the reuse of NSTI would be how new development accounts for and complies with the Tidelands Trust. For the last few years, the Treasure Island Development Authority ("TIDA") has been pursuing a master development strategy for implementing the Reuse Plan, primarily through an Request for Qualifications ("RFQ") and Request for Proposals ("RFP") process.

On June 14, 2000, the Authority authorized the issuance of a RFQ for a Primary Developer ("Primary Developer RFQ") for NSTI. On February 1, 2001, Treasure Island Community Development ("TICD") submitted a response to the Primary Developer RFQ and on July 11, 2001, the Authority determined that TICD met the evaluation criteria set forth in the RFQ. Subsequently staff was directed to prepare a focused RFP, which was issued to TICD on April 15, 2002. Both the RFQ and the RFP included a detailed discussion, informed by the State Lands Commission, on the appropriate parameters of a permissible Trust Exchange. Under the terms of the RFQ, the Authority indicated that proposals for the redevelopment of Treasure Island could include a trust exchange and that such an exchange could assume an acre for acre exchange.

On July 2, 2002, TICD submitted its initial response to the RFP to the Authority (the "Draft Proposal"). Copies of the Draft Proposal were provided to the Authority Board, members of the Treasure Island Citizens Advisory Board, the San Francisco Board of Supervisors, and interested members of the public. Over the following months, TICD made presentations of the Draft Proposal at several public meetings held in San Francisco and on Treasure Island to solicit input from the public. In addition, the Treasure Island/Yerba Buena Island Citizen's Advisory Board (the "CAB") and its subcommittees held numerous meetings to discuss the Draft Proposal and prepare comments that were forwarded to the Authority Board.

On January 2, 2003, TICD submitted its revised proposal for the Authority's consideration. Copies were sent to the Authority Board and the members of the CAB for their review. The

CAB and its subcommittees again held several meetings to review the proposal and provided their comments to the Board. TIDA staff met with a consultant team to evaluate the proposal in the context of the criteria set forth in the RFP. In March 2003, staff presented its analysis to the Authority Board and determined that proposal prepared by TICD met the criteria of the RFP. Based on the analysis presented by staff, on April 9, 2003 the Authority Board authorized the Executive Director to enter into an exclusive negotiating agreement ("ENA") with TICD for the redevelopment of former Naval Station Treasure Island.

Tidelands Trust Exchange Planning

History of Conceptual Land Use and Trust Exchange Planning

As contemplated by the RFQ and RFP, the Draft Proposal submitted by TICD in July 2002, contemplated "lifting" the Tidelands Trust designation from portions of Treasure Island proper and placing the Trust designation onto portions of Yerba Buena Island.

In response to the Draft Proposal, the California State Lands Commission ("SLC") suggested several changes to TICD's land use plan that would improve the likelihood of executing a trust exchange. In the revised proposal submitted in January 2003, TICD responded to the SLC comments and made several notable changes to the land use plan, including:

- Expanding the open space areas along the western and eastern shoreline;
- Programming additional public uses along the western shoreline, including new retail uses;
- Including a new roadway along the western shore to provide greater public access;
- Pushing residential uses further into the interior of the island; and
- Clustering residential development on Yerba Buena Island to provide greater access to areas designated as trust recipient sites on YBI.

In the analysis of the January 2003 proposal, both the Authority staff and the staff of the SLC noted that the revisions to the plan represented positive changes and that they would improve the overall configuration of a proposed trust exchange. However, the SLC staff also noted additional amendments to the plan would be necessary to form the basis of an exchange of public lands.

Since the approval of the ENA in April of 2003, the Authority has been working with the SLC staff and TICD to further refine the January 2003 conceptual land use plan. Master redevelopment schedules distributed to the Authority, the CAB, the public and the Board of Supervisors indicated that the Authority would be developing a proposed Tidelands Trust Exchange Map (Exchange Map) and supporting legislation between Fall 2003 and Spring 2004. Over the past several months, TICD has continued to make revisions to the conceptual land use plan based on input from the SLC staff, the Authority, Authority staff, the CAB and the public.

On December 10, 2003, the Authority received a presentation of revisions to the conceptual land use plan based on multiple meetings and conversations with staff from the SLC. On February 11, 2004, the Authority received a brief presentation on the revisions to the conceptual land use plan since December 2003 and the status of the proposed Exchange Map. On February 23, 2004, the Board of Supervisors Land Use Committee received the same presentation.

On December 11, 2003, the CAB received a presentation of revisions to the conceptual land use plan based on multiple meetings and conversations with staff from the SLC. In addition, the CAB discussed the conceptual land use plan and proposed Exchange Map at their January 15, 2004 meeting and expressed their affirmative approval of the revisions made to the plan. On March 4, 2004 the CAB held an additional meeting to further discuss the proposed Trust Exchange Map. At that meeting the CAB voted to approve the proposed Trust Exchange Map and to support moving forward with the Trust Exchange legislation.

Current Conceptual Land Use Plan and Proposed Tidelands Trust Exchange Map

The current proposed Trust Exchange map, and the underlying conceptual land use plan, is the product of responding to several rounds of specific comments by the Authority, Authority staff, the CAB, the public, SLC staff and others. The revisions made since April 2003 include the following significant changes:

- Pull the non-Trust-consistent uses further back from the west shoreline of Treasure Island to a minimum of 350 feet.
- Pull the non-Trust-consistent uses further back from the east shoreline of Treasure Island to a minimum of 200 feet.
- Move more housing into the interior of Treasure Island.
- Provide a major permanent open space at the northwest end of Treasure Island and reduce the number of streets that intersect the park.
- Provide more open space and linkages to the full system of waterfront spaces and activities around Pier 1.
- Use the Serpentine parkway to reinforce and facilitate visual and physical access to the waterfront from the southern to northern ends of Treasure Island.
- Remove development from within the boundaries of an area of environmental remediation at Site 24 (former drycleaner) on Treasure Island.
- Consolidate development sites on Yerba Buena Island and protect views from the top of the island.
- Include the Treasure Island Elementary School boundaries within the areas from which the Tidelands Trust is proposed to be lifted to ensure the continued existence of the public school.

- Include the blocks currently occupied by the gym and daycare center within the areas from which the Tidelands Trust is proposed to be lifted.
- Create contiguous blocks which are proposed to be lifted from the Trust for which more specific and detailed planning decisions can be made at an appropriate time in the future within the context of more information and analysis.

The product of the multiple iterations of revisions are reflected in a proposed Exchange configuration represented in graphic form as Attachment A. The map depicts blocks of land on Treasure Island that are proposed to have the Tidelands Trust designation lifted and lands on Yerba Buena Island which will be impressed with the Trust designation. At a basic level, the map indicates what areas of Treasure Island and Yerba Buena Island will be available for uses that are not consistent with the Tidelands Trust. However, it remains possible that, through the future land planning process and development negotiations, Trust-consistent uses (e.g., hotels) could be located in areas from which the Trust has been lifted.

Additionally, the areas upon which the Tidelands Trust designation will remain on Treasure Island (green areas) retain the flexibility to be programmed and designed for any Trust-consistent use, including recreational, open space, commercial or visitor-oriented uses. The planning and design of these areas will continue to be conducted via the Authority's historically extensive public process involving the Board of Supervisors, the Authority, the CAB and the public.

Based on feedback from the SLC staff, the Authority believes the revised conceptual land use plan will support an effective trust exchange, subject to verification of an appraisal that the land placed in the trust is of equal or greater value than the land being removed from the trust. The final determination of any proposed exchange will be subject to specific state legislation and approval by the State Lands Commission.

Appraisal and Legislative Process

As noted above, to execute a trust exchange, the lands placed in the Trust (on YBI) must have equal or greater value than the lands removed from the Trust (on TI). To make this determination regarding the value of the respective parcels, the Authority, in conjunction with the SLC, is in the process of conducting an appraisal of the properties. Initial indications by the appraiser suggest that, based on a highest-and-best-use valuation analysis, the receiving lands on Yerba Buena Island are likely to be more valuable on a per-acre basis than lands on Treasure Island. Staff intends to work with staff of the SLC to prepare the formal maps and revise the state legislation as necessary to support a trust exchange.

Recommendation

The proposed Tidelands Trust Exchange configuration on Treasure Island and Yerba Buena Island is the product of years of extensive input from the Authority and Authority staff, the CAB, the public, and SLC staff. Staff recommends that the Authority endorse the State's adoption of Tidelands Trust Exchange legislation for Treasure Island and Yerba Buena Island

consistent with the proposed Exchange Map attached as Exhibit A, for the following key reasons.

1. **Extensive Planning Process with a History of Support:** Planning for the reuse of former Naval Station Treasure Island began more than 10 years ago and has evolved to the Exchange Map that is currently proposed. The current development program and principles underlying the proposed exchange map are consistent with the goals and objectives outlined in the 1996 Reuse Plan endorsed by the Board of Supervisors. Subsequently, there has been an extensive process involving issuing a Request for Qualifications for a master developer, issuing a Focused Request for Proposals, and reviewing multiple revisions to the proposed conceptual land use plan. The development proposal reflected in the proposed Exchange Map have been endorsed by the CAB and Authority throughout the process.
2. **Workable Trust Exchange Plan:** The areas of Treasure Island on the map that are proposed to have the Tidelands Trust designation lifted were derived from an extensive process of evaluating the multiple regulatory, environmental, physical and development issues at the site. Given these constraints, the majority of the island is not suitable for non-Trust-consistent uses and the areas that are proposed to allow non-Trust-consistent uses represent what staff and the State Lands Commission staff believe to be an effective and workable Trust Exchange configuration.
3. **Flexibility.** The proposed Trust Exchange map does set the template for where non-Trust-consistent uses may be located. However, the current exchange configuration provides the flexibility to make future specific land use planning decisions regarding both non-Trust consistent and Trust-consistent uses with respect to issues important to the CAB, the Authority and the Board of Supervisors including, among others:
    a. density, massing, design and character of development,
    b. affordable housing,
    c. community benefits,
    d. environmentally sustainable building and development practices,
    e. programming of neighborhood and visitor-oriented commercial and retail uses;
    f. open space and recreational programming and design,
    g. cultural, educational and institutional amenities,
    h. the treatment of wastewater and use of recycled water, and
    i. a jobs program.

[Endorsement of Proposed Tidelands Trust Exchange Map]

ENDORSING THE STATE'S ADOPTION OF LEGISLATION TO ENACT A TIDELANDS TRUST EXCHANGE ON TREASURE ISLAND AND YERBA BUENA ISLAND CONSISTENT WITH THE ATTACHED PROPOSED TIDELANDS TRUST EXCHANGE MAP.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy real property located on the Base; and,

WHEREAS, In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad spectrum of community interests, was formed to: (i) review reuse planning efforts regarding the Base by the San Francisco Planning Department and the San Francisco Redevelopment Agency; and (ii) to make recommendations to the City's Planning

Commission and Board of Supervisors, and in July 1996, after an extensive community planning effort, a draft reuse plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of Supervisors, the Planning Commission and the CRC; and,

WHEREAS, The City forwarded the Reuse Plan to the Department of Defense in July 1996 to serve as the guiding document for the Navy and City in preparation of a joint Environmental Impact Statement/Environmental Impact Report (EIR/EIS) and the Reuse Plan serves as the basis for the Preliminary Redevelopment Plan for the Base; and,

WHEREAS, The Reuse Plan recognized the need to address the issue of the Tidelands Trust (the "Trust") at the Base and how new development would account for and comply with the Trust; and,

WHEREAS, the Authority is pursuing a master development strategy for implementing the Reuse Plan through a Request for Qualifications ("RFQ") and Request for Proposals ("RFP") process; and

WHEREAS, On June 14, 2000, the Authority authorized issuance of a RFQ for a Primary Developer of the Base; and,

WHEREAS, the RFQ specifically identified that submittals could include proposals for a Tidelands Trust exchange and included a detailed discussion of the parameters of an acceptable exchange; and,

WHEREAS, In February 2001, Treasure Island Community Development (TICD) submitted a proposal which assumed that the Tidelands Trust designation would be lifted from certain lands on Treasure Island and placed on certain lands on Yerba Buena Island not currently subject to the Tidelands Trust; and,

WHEREAS, On July 11, 2001, the Authority by resolution found that TICD met the criteria set forth in the RFQ; and,

WHEREAS, On April 10, 2002, the Authority authorized staff to issue a focused RFP to TICD and, on July 2, 2002, TICD submitted its initial response to the focused RFP (the "Draft Proposal"), which included, among other elements, a specific proposed Tidelands Trust Exchange Map ("Exchange Map"); and,

WHEREAS, On January 2, 2003, TICD submitted its revised response to the RFP (the "Proposal") for the Authority's and the Treasure Island/Yerba Buena Island Citizen's Advisory Board's ("TI/YBI CAB") consideration, which included a revised Trust exchange proposal; and,

WHEREAS, the January 2003 TICD land use plan proposal incorporated revisions in response to concerns raised by staff of the State Lands Commission regarding the potential of the development plan to satisfy the requirements for a Tidelands Trust exchange; and,

WHEREAS, The TI/YBI CAB and its subcommittees held several meetings to review the Proposal and prepared and presented comments to the Authority Board; and,

WHEREAS, The Authority staff met both individually and collectively with a consultant team to evaluate the Proposal in the context of the evaluation criteria set forth in the RFP; and

WHEREAS, On March 11, 2003 staff of the State Lands Commission ("SLC") submitted written comments noting that additional amendments to the development plan would be required to satisfy the State's requirements for a Tidelands Trust exchange; and

WHEREAS, On March 20, 2003, the Authority Board made a determination that TICD's Proposal met the criteria set forth in the RFP, and authorized the Authority's Executive Director to enter into exclusive negotiations with TICD regarding the redevelopment of the Base in a manner consistent with TICD's Proposal, the Staff Summary, the Reuse Plan, and the EIS/EIR, subject to the Authority's separate approval of an Exclusive Negotiating Agreement ("ENA"); and

WHEREAS, on April 9, 2003 the Authority passed a resolution authorizing the Executive Director to execute the ENA with TICD; and

WHEREAS, between June 2003 and February 2004, representatives from the Authority and TICD met with staff of the SLC on multiple occasions to discuss revisions to the development plan that would enable the land use plan and proposed Exchange Map to meet the SLC's criteria for a Tidelands Trust Exchange; and

WHEREAS, TICD presented to the Authority prior iterations of the revisions to the conceptual land use plan and proposed Exchange Map at its December 10, 2003 and February 11, 2004 meetings; and

WHEREAS, The TI/YBI CAB has reviewed and discussed the conceptual land use plan and proposed Exchange Map at its December 11, 2003, January 15, 2004, and March 4, 2004 meetings, and the TI/YBI CAB voted to approve and move forward with the proposed Exchange Map; and

WHEREAS, the currently proposed configuration of the Exchange Map has the benefit of being the product of years of meetings and input from the Authority, the TI/YBI CAB, the public, and staff of the State Lands Commission, during which time the revisions to the land use plan and proposed Exchange Map have been endorsed throughout the process; the currently configured proposed Exchange Map represents an effective and workable exchange and is supported by SLC staff; and, the currently

configured proposed Exchange Map provides the flexibility to make further detailed land use planning decisions regarding both Trust-consistent and non-Trust-consistent uses with respect to issues important to the CAB, the Authority and the Board of Supervisors; and,

WHEREAS, the lands placed in the Trust on Yerba Buena Island must have equal or greater value than the lands removed from the Trust on Treasure Island and this determination will be made through an appraisal process being conducted by the Authority in conjunction with the SLC staff; and

WHEREAS, the Authority has submitted an initial draft of state legislation supporting a proposed Tidelands Trust exchange for Treasure Island and Yerba Buena Island; and

WHEREAS, Authority staff intends to work with SLC staff to prepare the formal maps and revise the state legislation as necessary to support the exchange; and

Now, therefore, in light of the foregoing recitals, be it

RESOLVED, That the Board of Directors hereby endorses the State's adoption of Tidelands Trust exchange legislation for Treasure and Yerba Buena islands consistent with the attached proposed Exchange Map.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 10, 2004.

_____

William Fazande

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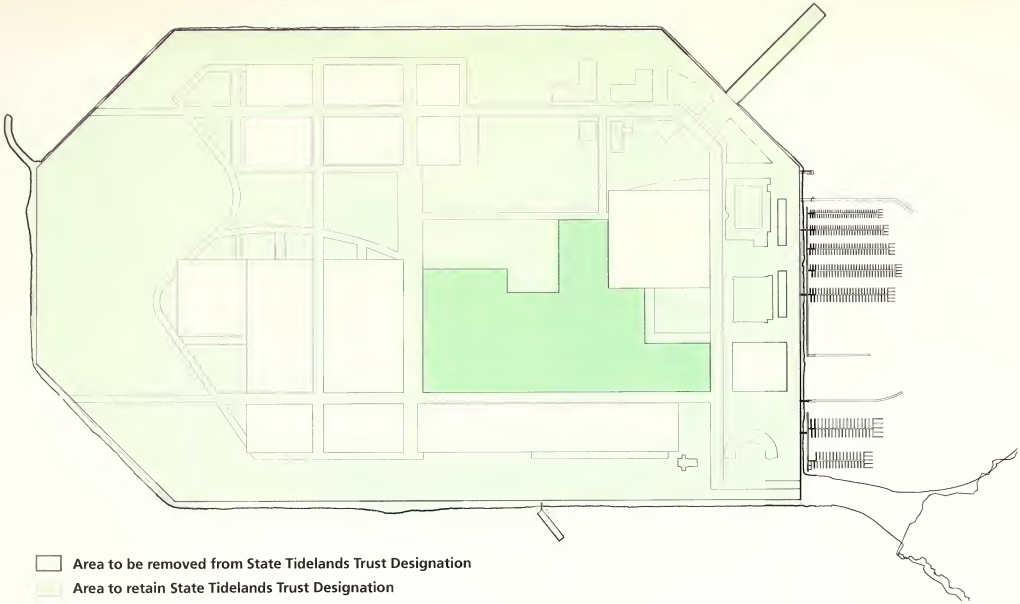
10% P.C.W.



Area to be removed from State Tidelands Trust Designation

Area to retain State Tidelands Trust Designation

Job Corps

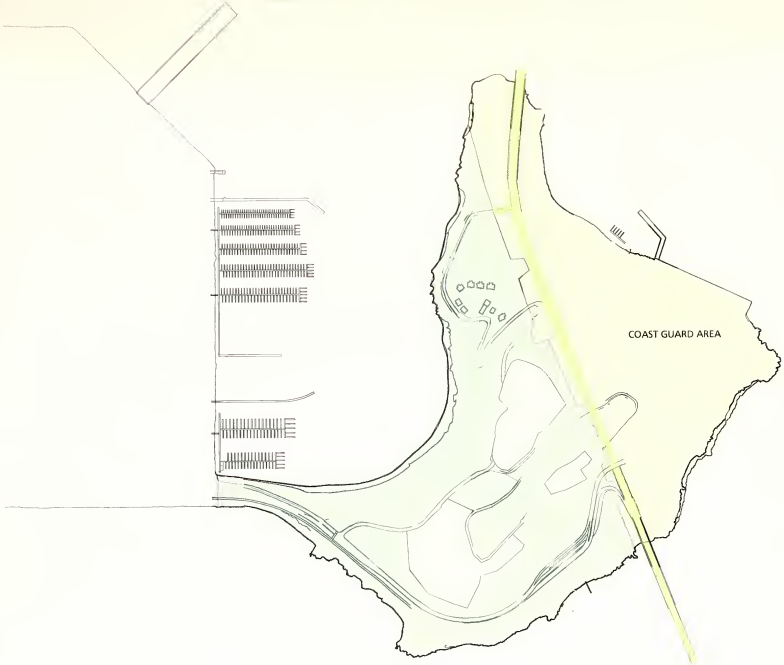
DRAFT

Treasure Island - Trust Exchange Areas

February, 2004

TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC

Area to receive State Tidelands Trust Designation



DRAFT

Yerba Buena Island - Trust Exchange Areas

0 200' 400'

February, 2004

TREASURE ISLAND COMMUNITY DEVELOPME

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
March 10, 2004

DOCUMENTS DEPT.
APR - 9 2004
SAN FRANCISCO
PUBLIC LIBRARY

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. **Call to Order**: 2:15 PM

Roll Call Present: Claudine Cheng (Chair)
William Fazande (Vice-Chair)
John Elberling
Susan Po-Rufino
Douglas Wong

Excused: Gerald Green
Marcia Rosen

2. **Approval of Minutes:** The minutes of February 11, 2004 were motioned for approval by Commissioner Fazande.
The motion was seconded by Commissioner Po-Rufino
The minutes were approved unanimously

12. (Called out of order) Commissioner Cheng spoke regarding Item #12 on the March agenda. In February 1998 Board of Supervisors Resolution 89-99 provided for the Board of Supervisors to appoint a non-voting ex-officio member to the TIDA Board and for TIDA to change its by-laws to amend the number of Directors to include these ex-oficio members. Before the February 2004 TIDA Board meeting Board President Matt Gonzalez appointed Supervisor Chris Daly as this ex-officio member. Asked Deputy City Attorney Michael Cohen to explain this legislation and how the TIDA Board should proceed.

Deputy City Attorney Michael Cohen stated that state legislation that formed TIDA had a provision that stated the Board of Supervisors could elect to turn TIDA into a California redevelopment agency pursuant to California redevelopment law, which they did in 1998. Thus TIDA has a similar relationship to the Board of Supervisors as the San Francisco Redevelopment

Agency. All contracts above 10 year term or $1 million go to the Board of Supervisors for approval. Close relationship between the Board of Supervisors and TIDA, but there is nothing in California redevelopment law that gives the Board of Supervisors the power to change the composition of the TIDA Board. Legal effect of the 1999 resolution, same resolution that directed to create the CAB, is that it is an urging resolution to TIDA to amend the bylaws to include ex-oficio members from the Board of Supervisors if TIDA elects. Stated that ex-oficio members are allowed to participate in open and closed session and can receive confidential materials, they just are not allowed to vote and do not count towards a quorum.

Executive Director Conroy stated that there has been discussion to amend the TIDA bylaws to allow for one non-voting, ex-officio member to the TIDA Board who would be the sitting Supervisor in District 6, which includes Treasure Island. Stated that when this legislation was passed, the Board of Supervisors were elected city-wide and now that there are district elections the thinking is it would be better to have the one Supervisor who represents District 6 serve as the ex-officio TIDA Board member. Stated that from what she understands this would be an acceptable arrangement. This current item is a discussion item, should the Board wish the by-law change can be taken up as an action item at the next meeting.

Commissioner Cheng stated she would be in favor of putting this by-law change on the agenda for April.

Supervisor Chris Daly thanked the TIDA Board for its consideration of this by-law change. Stated that one technical point would be to word the amendment to state the supervisor should come from the district that Treasure Island is in, and not District 6 specifically, since the district Treasure Island is in could change with the next potential redistricting. Stated that generally his office has been interested in Treasure Island and the work of TIDA, has been generally approaching this project in a "hands-off" nature. Generally agrees with the direction that TIDA has been going in, but stated it is a good time for him to be more active with the details and making sure the process goes smoothly.

Public Comment:

Ms. Ruth Gravanis stated that she supports amending the by-laws to add an ex-oficio member, with Supervisor Daly's suggestion that it be worded to reflect whichever district Treasure Island is in. Also stated she hopes that the amendment will include "Supervisor or his/her designee" since Supervisors are often quite busy and should be able to appoint someone to represent them when they can't attend.

Ms. Eve Bach, ARC Ecology and the Public Trust Group, stated she supports this measure. Stated there is a need to include the Supervisors in this process and she is happy to see that happening. There is a need to mesh the priorities of all different groups participating in this process.

Commissioner Cheng stated that this by-law amendment will be on the April agenda as an action item.

3. Director's Report by Executive Director Annemarie Conroy
Access and Public Use of Treasure Island: Many soccer and baseball teams using the sports fields recently as well as 100 private parties occurring over the next year.
Environmental Cleanup: Negotiations continue with the US Navy and CH2M Hill over environmental clean-up and early transfer
Short Term Leases: No new short-term leases
San Francisco/Oakland Bay Bridge Issues: Waiting for execution of a third MOU with CalTrans involving utilities
Community Issues: Next community meeting is in April. More recreational opportunities have come up as a community issue and TIDA is trying to get and secure more money for gymnasium renovation and recreation programming
Citizen's Advisory Board: CAB has met 3 times in the last 3 weeks and has been working very hard. CAB chair will give the TIDA Board a report on the CAB workings
TIHDI: Sherry Williams can report on any new TIHDI developments
Finance Report: Finance Director Eila Arbuckle will give a report during presentation of the budget item
Legislation and Hearings Affecting Treasure Island: Tidelands Trust exchange legislation is being carried by State Senator Burton. There is an item about this on the agenda for today

Commissioner Cheng congratulated Executive Director Conroy for being honored recently by the Irish-Italian-Israeli Society.

4. Communications
There were communications received by Supervisor Chris Daly, the San Francisco Ethics Commission, the San Francisco Boardsailors Association, and the Bay Conservation and Development Commission.

5. Ongoing Business by Directors
Commissioner Cheng stated that she would like to add a formal monthly item on the agenda for a CAB update

Commissioner Elberling asked for a summary of Treasure Island Enterprises financial activity from the start of their interim sublease in 1999. Stated he'd like to see a summary of revenue and expenses for the sublease.

Mr. Stephen Proud, TIDA Deputy Director, stated that the way the sublease is set up TIE has an improvement allowance and rent credit is charged against this improvement allowance. Stated staff would be happy to provide that for the Commission.

6. General Public Comment
There was no general public comment

7. Ms. Eila Arbuckle, TIDA Finance Director, presented the 2005 TIDA budget. Budget projects decreased revenues, and as a result decreased expenses, due to effects of recession on Bay Area housing market, which led to a decrease of occupancy of the rental housing units and therefore a loss of rental housing revenue. Also revenue-sharing agreement with TIHDI became effective in

FY 04 which decreases housing revenue to TIDA as well. Expenses organized into three major areas, personnel, nonpersonell/non City services, and City services. Personnel expenses are essentially unchanged from last year, nonpersonell/non City service expenses are reduced by 8%, with the greatest reduction being in contractual and professional services. Many professional services contracts are nearing completion. City services project a reduction in expenses, primarily Fire Department services. Revenue shortfall means no money to budget for capital improvements, especially utilities. Stated that year-to-date information requested by the Chair was provided to the Authority Board at the beginning of the meeting.

Commissioner Cheng asked what the 80% decrease in "YBI Cell Site Revenues" was due to
Ms. Arbuckle stated that due to Bay Bridge construction CalTrans has reclaimed the land where the cell sites originally were, and the cell sites are still there but the revenues now assumedly go to CalTrans.

Commissioner Cheng asked for detail on the projected increase for marina revenues
Ms. Arbuckle stated this is due primarily to the lease of barges for the past 6 months and it is actually a profitable activity. Also believed that Treasure Island Enterprises will begin paying rent for the marina in FY 2005

Commissioner Cheng asked for detail about the insurance line item under non-personnel/non City services
Ms. Arbuckle stated the Controllers office feels Treasure Island should pay their own liability insurance now so that line item represents a shift away from paying the City's Risk Management Division for insurance

Commissioner Cheng asked about increased expenses for the City's Real Estate Department
Ms. Arbuckle stated the Real Estate Division did an appraisal of the land required for pending Tidelands Trust exchange

Commissioner Elberling asked if the current budget expenditure estimates have been revised
Ms. Arbuckle stated that unused portion of allocations to City departments was liquidated, which is a change. There was also a shift for landscaping from the professional services line item to a separate line item for landscaping.

Commissioner Elberling asked if all projected year-to-date revenues are being left the same besides the encumbrances being brought forward
Ms. Arbuckle stated that is correct and the project is very close to being on-track for those projections for the year. Also stated that projected increased revenues for 2005 for special events are due to time and money put into improving special events venues, including Casa de la Vista

Commissioner Elberling asked what TIHDI's likely revenue would be from the revenue-sharing agreement. Stated it would be nice to hear from TIHDI next month how the planned on using that resource.
Ms. Arbuckle stated they will receive approximately $1.125 million.

Director Conroy stated that the revenue sharing agreement is based on the TIHDI agreement for 375 housing units within the 1,000 housing unit universe. TIHDI agreed to accept 222 units with the balance going into the sharing agreement where the John Stewart Company would make capital improvements to these units and once John Stewart Company had had their improvement expenses recouped TIHDI would start to share in the revenue of those units. TIHDI now will receive revenue for the units starting this year.

Commissioner Cheng asked how negotiations look between TIDA and the Fire Department for this year
Director Conroy stated that this has been a tough issue "from Day 1". Fire Department still charges Treasure Island for services, last year there was a substantial fire bill, which TIDA accepted, due to the Fire Department trying to close their own budget deficit. This year SFFD is charging TIDA $5.9 million for fire services to Treasure Island. Stated this figure is "absurd". TIDA is proposing to pay $3.9 million this year, which they feel is fair. Study conducted the last several years indicate that over 50% of calls to the Treasure Island firehouse were for calls on the Bay Bridge. Stated this is a general fund responsibility, Treasure Island, as a trust property, can pay for city services but only those that directly benefit the Islands, as opposed to calls going to the Bridge, the Job Corps and the Coast Guard, for example.

Commissioner Elberling asked what the status is with the prospect of these non-trust expenditures by TIDA for city services being reimbursed to TIDA
Director Conroy stated there is nothing current pending, but could be an issue for future City Departments looking for revenue from Treasure Island if the State Attorney General wished to make an issue of it at a later date.

Commissioner Cheng asked how the pending utility issues are being addressed
Director Conroy stated revenues such as the fire bill and those going for City services which should be going to general fund responsibilities are then unable to be spent on improvements such as those needed for the reservoir on Yerba Buena Island and the upgrade of the electrical system.

Commissioner Fazande motioned for approval of the item
Commissioner Elberling seconded the motion
The item was approved unanimously

8. Mr. Jack Sylvan, TIDA Director of Development, presented a use permit with Westar Marine Services for use of four of TIDA barges. Westar uses barges for support work for work on new span of Bay Bridge. Westar pays total of $8,500 a month total for use of barges. Revenue to TIDA of $100,000 a year. Staff recommends approval of item.

Mr. Rich Smith, Westar Marine Services, stated Westar Marine performs a lot of marine construction support for bridge projects in the Bay Area. Four TIDA barges are being used to move piling and construction equipment from shore out to the construction site.

Commissioner Po-Rufino asked if the barges are used to haul hazardous materials
Mr. Smith stated the barges are not used to haul hazardous materials or petroleum products.

Commissioner Fazande asked if this is the average rate charged for barges when rented by TIDA
Mr. Sylvan stated that is correct

Commissioner Wong stated that Westar Marine have been longtime tenants of the Port of San Francisco and they are wonderful tenants

Commissioner Fazande motioned for approval of the item
Commissioner Po-Rufino seconded the motion
The motion was approved unanimously

9. Executive Director Conroy stated that due to a scheduling mix-up the presentation of the geotechnical review will have to be put off until next month's TIDA meeting. Stated this review is part of the Exclusive Negotiating Agreement, but this item is not a critical item at this juncture.

Commissioner Fazande motioned to continue the item to next month
Commissioner Po-Rufino seconded the motion
The item was unanimously continued to the April 14th meeting.

10. Mr. Jack Sylvan, TIDA Director of Development, presented additional research and information on the ferry terminal location study as requested by the TIDA Board at the February meeting. Concept Marine has provided responses to the questions and issues raised, the TI/YBI Citizens Advisory Board voted to request that staff ask concept marine to continue analysis and asked for further time to review that analysis. Staff expects to bring the supplemental study and analysis and responses to issues raised by the TIDA Board, the CAB, and the public in April, first to the CAB and then to the TIDA board. Staff recommends continuing this item until the April meeting in order to cover the issue in more detail.

Ms. Karen Knowles-Pearce, chair of the Citizens Advisory Board, stated that the CAB voted 10 people in favor of an east side ferry terminal and 0 people in favor of a west side ferry terminal with 2 abstentions at the previous CAB meeting. However CAB does highly encourage further study on this item and it will be scheduled for the April CAB meeting as well.

Commissioner Elberling stated that mitigating the impacts of the project on the Bay Bridge is a major focus of the project and planning. Draft EIR talks about this subject in detail. Asked when responses to comments on draft EIR will be ready.

Mr. Sylvan stated that the Planning Department is in control of the schedule for issuing the responses to comments. Are supposed to be close to issuing an internal draft response to comments, hopefully within a month.

Commissioner Elberling stated that the benefit and cost of the various forms of alternate transportation are important to a realistic possible deal with the potential developers. The ferry discussion is the "tail of the dog" in terms of the overall picture of on and off-Island transportation. Stated that once the EIR process proceeds there needs to start being serious

discussion on a "concrete plan of action" for transportation and Bridge traffic mitigation, of which the ferry service is a part of.

Mr. Sylvan stated that one of the next steps in the negotiation process with the potential master developer is to develop a detailed pro-forma for the development program which will be based on Tidelands Trust exchange. That will be the point at which costs and benefits can be looked at for alternate modes of transportation. Worth noting that the EIR is programmatic to support the conveyance of property from the Navy.

Public Comment
Ms. Ruth Gravanis stated she wholeheartedly supports Commissioner Elberling's call for a comprehensive transportation plan. Stated the discussions at the TIDA board and the CAB have centered on information that has been available for many years, has been acknowledged that a west side ferry terminal has always been known as a more expensive site. Previous "Issues and Opportunities Report" does say that a west side terminal location would be superior for many different reasons including ridership and programmatic reasons.

Ms. Eve Bach stated she is glad that Commissioner Elberling is talking about "not backing into" a decision about the ferry terminal location. Stated that her memo from the previous meeting raised a large amount of questions which she is glad to see the Commission take seriously. Thinks there are substantial tradeoffs in the both locations and she is not endorsing one over the other. Stated there needs to be more in depth discussion of the ferry service overall, what it is to accomplish and who it hopes to serve.

11. Mr. Jack Sylvan, TIDA Director of Development, presented the proposed Tidelands Trust Exchange map for exchange of Tidelands Trust land from Treasure Island to Yerba Buena Island. The RFQ for redevelopment indicated that proposals for development could propose a trust lands exchange. The TICD proposal includes a Tidelands Trust exchange by lifting lands from Treasure Island and placing them on Yerba Buena Island. State Lands Commission has made many comments on the Trust exchange plan, and its revisions, as to what they would like to see occur to make the Trust exchange possible. Since entering the Exclusive Negotiations, TIDA has met regularly with State Lands Commission to receive their specific input on what measures were needed to be taken to have a workable Trust exchange on Treasure Island. Most recently on February 23, staff and the developer made a presentation to the Board of Supervisors Land Use Committee regarding the proposed Trust exchange, and the CAB has given extensive comments over previous meetings and have voted to endorse moving forward with the Trust exchange legislation. Current map in front of the Commission has significant changes from the previous map seen. Staff recommends endorsing the proposed Trust exchange map and moving forward with the legislation.

Commissioner Elberling asked what the technical status of the Job Corps is with regards to the trust.
Deputy City Attorney Michael Cohen stated that Job Corps was transferred on a federal to federal transfer and is a federal enclave, thus not applicable for Trust laws. Should the Job Corps parcel be transferred out of federal ownership at some point it would become subject to provisions of the Trust.

Mr. Jay Wallace, of Treasure Island Community Development, spoke to extend his thanks to Supervisor Daly and stated he looks forward to working with him in the coming years as well as Monique Moyer, the newly appointed TIDA Commissioner. Stated the current trust exchange proposal has been the result of many years of work and meetings. What the Commission is seeing is a template or framework for the future development of Treasure Island. Introduced Karen Auschuler of SMWM Architects.

Ms. Karen Auschuler, SMWM Architects, presented the proposed trust exchange map and stated they tried to be as smart as they can regarding physical issues, ownership issues, and use issues relevant to different parts of Treasure Island and Yerba Buena Island. Proposed exchange areas and land usages have changed dramatically, especially in response to specific requests for land use changes in specific areas. One of the big changes to the plan is less concentration of uses around the edge/shoreline of the Island than there originally was. Plan still has 2,800 housing units, but use has moved back even more fro the edges of the Island than previously. The bold new concept in this plan is to make all uses around southeast corner of the Island and Pier 1 Tust-appropriate, such as the Sailing center, marine uses, and a hotel, so that water arrival in this location would have a sense of public use and public welcome. On Yerba Buena Island uses have been pulled back from top of Island as well, now there are more viewing area, picnic areas and areas for children to play on the top of Island. Trails and connections left in place and now there are two main housing areas along with 301 areas of open space. Uses are considerably further back on the San Francisco edge of Yerba Buena Island, a 350 foot minimum from edge of Island. Stated she would be happy to answer any questions.

Commissioner Cheng requested a hard copy of the Power Point presentation be provided to the Commissioners

Commissioner Elberling asked what development is projected to go into the areas around the marina that are proposed to be removed from the Trust
Mr. Wallace stated that the two narrow blocks are intended to be ground level retail with two-story apartments above, the larger block would be residential housing as well.

Next several seconds inaudible – Mr. Wallace away from microphone

Deputy City Attorney Cohen stated that Trust uses can go in non-Trust designated uses, and from staff's perspective one of the most important comments from public comment was to allow the most amount of flexibility in the planning process.

Public Comment
Ms. Sherry Williams, Treasure Island Homeless Development Initiative, stated TIHDI's support for the proposed Tidelands Trust Exchange map, stated there is still a lot of planning to be done, especially the jobs program, housing plan and economic development plan but this Trust exchange puts a good template in place to begin redevelopment planning.

Ms. Karen Knowles-Pearce, CAB Chair, stated that at the last CAB meeting of 14 people voting, 12 CAB members supported the proposed map, one opposed the map and one abstained from voting.

Ms. Eve Bach, of ARC Ecology, stated she has some discomfort with the Trust-exchange map, but stated the solution to her discomfort will not necessarily be to simply delay the decision. Stated that the Commission needs to remember that the State Lands Commission in their original review of the RFQ said if the Trust is going to be lifted it should be lifted from the center of the Island, not from the edges. It has been a long time to get to a plan that takes the State Lands Commission suggestion into account. Stated she believes that where people arrive by ferry should be a welcoming public place, where the disagreement comes into play is if this is achievable at a different ferry location. Text or a map that allowed for welcoming public uses on the West side without sacrificing any of the land that is set aside for housing uses on that area would be a good step.

Ms. Ruth Gravanis, stated she strongly supports a public Trust exchange for the proposed 2,800 housing units, especially the TIHDI uints. What is front of the Commission is something that is close to what may be ideal, but it isn't ideal just yet. Hasn't gone before the Planning Commission or Board of Supervisors as an action item. The language of the bill that this map will become a part of is extremely important since it enables State Lands Commission to execute a trust exchange if the proposed exchange is substantially similar to the map that accompanies the exchange legislation. Stated she would like to see as much flexibility preserved as possible for decisions made by Board of Supervisors. Thinks it is likely to develop a core of neighborhood serving retail and commercial uses which could help alleviate the need for cars and traffic on and off the Islands.

Commissioner Cheng asked what the scheduling is for the legislation in the State Assembly for the Tidelands Trust issue.
Deputy City Attorney Michael Cohen stated that the legislation was introduced 6 weeks ago and is working its way through the legislative process, there is likely to be a hearing in early April. There has been discussions with State Lands about the suggestions made in public comment about providing flexibility in the proposed legislation. Thinks that this current plan still allows for flexability while protecting the 2,800 units. Also there is language in the bill which dictates the map must be "substantially similar" to the current proposal and language that contemplates boundary adjustments should they be necessary. In every instance that the City has had a Trust exchange bill go to the State Legislature in the past, the bills have been in advance of the more detailed planning process, they represent an "educated projection" as to what will be. Looking around the end of this month or the beginning of next month for the beginning of hearings in committee for the bill.

Supervisor Chris Daly stated that often times bills can have certain caveats in terms of support, and a common position that some organizations take are "support and seek amendments". Stated he wondered if this resolution could be amended to reflect that TIDA supports the legislation but is seeking certain amendments as well.

Deputy City Attorney Cohen stated that the Authority can approve the maps and the resolution, thus urging the State Legislature to grant TIDA and the State Lands Commission further flexibility on final determinations, should it be the will of the Authority.

Commissioner Elberling asked about the memo from the Bay Conservation and Development Commission provided to the Commissioners
Stephen Proud, TIDA Deputy Director, stated that what the Commission was given is a staff summary from BCDC staff which indicates that BCDC staff is recommending to their Commission supporting the Trust exchange bill.

Commissioner Elberling stated he did not see any language where BCDC staff supports amending the legislation
Mr. Proud stated that Commissioner Elberling is correct

Deputy City Attorney Cohen stated that the amended resolution would include language to add a provision to urge the State Legislature to grant TIDA and the State Lands Commission flexibility in regards to final configurations of the exchange map. Important to note that the authorizing legislation does not cause any exchange to occur, the State Lands Commission retains full discretion to approve a final exchange, it is only permissive legislation.

Commissioner Elberling stated that this proposed map reflects the best knowledge to this date as to the best way to handle the Island insofar as both economic reality and environmental reality. Reaches the best conclusion of the ten years of work so far.

Commissioner Elberling motioned for approval of the amended item
Commissioner Fazande seconded the motion
The item was approved unanimously

Director Conroy stated that TIDA Deputy Director Stephen Proud will be leaving TIDA staff to accept the head position in the redevelopment office at former Naval Air Station Alameda. Stated she is very happy for Mr. Proud, he is very well qualified for his new position. Mr. Proud has been a great staff member and fantastic friend. TIDA will miss him greatly.

Mr. Proud stated that he wanted to thank the TIDA Board for all of their help in the last five years. Looking forward to the new challenge at former NAS Alameda, it is a very complicated project. Appreciates the opportunity that has been given to him. Thanked Executive Director Conroy, stated he has appreciated all the support she has given him over the past several years, stated it was a great experience working at Treasure Island. Thanked Deputy City Attorney Michael Cohen and said it has been a pleasure to work with him. Stated he things great things on the horizon for the Treasure Island project in the coming years and it has been great working with all the people he has worked with over the past several years, including Jack Sylvan, Sherry Williams from TIHDI, and Jay Wallace and the TICD team as well.

Ms. Sherry Williams, of TIHDI, stated that it will be tough to see Stephen leave. Presented Mr. Proud with a certificate of appreciation from THIDI. Stephen has been incredibly dedicated to TIHDI and been an effective partner in helping TIHDI in their goal to create a diverse neighborhood for all San Franciscans, including the family service space, the issues with opening the child care center, finding a space for the food pantry, support groups and exercise classes, and assistance with the housing units. Stated that Mr. Proud was also a popular teacher at

TIHDI's community leadership classes, teaching residents about how City government works. Stated he will be greatly missed and wished him well.

Ms. Karen Knowles-Pearce, CAB Chair, expressed gratitude from her and the rest of the CAB for all of Stephens support and hard work over the last several years. Stated he was always there for the CAB and followed up on things diligently. The CAB will be sad to see him go.

Ms. Eve Bach stated she is sorry to see Stephen leave Treasure Island. Stated it has been a pleasure to work with Stephen due to his intelligence, integrity, honesty and wonderful sense of humor. Stated she is happy to see him move on to Alameda, as he is greatly needed over there.

Mr. Jay Wallace, Treasure Island Community Development, stated that Mr. Proud has exemplified honesty and integrity and he will be greatly missed. Wished Mr. Proud all the best.

Deputy City Attorney Michael Cohen stated Mr. Proud is the best and brightest person he has encountered in his eight years doing complicated land transactions in the City and County of San Francisco and he is also a good friend.

Commissioner Cheng stated that Mr. Proud will be sorely missed and the TIDA Board greatly appreciates his service.

Executive Director Conroy stated that if the TIDA Board pleases the closed session can be continued to the next meeting, the topic is not urgent.

13-14. This item was continued to the April 2004 TIDA meeting

15. There was no future business discussed by Directors

16. Commissioner Fazande motioned for adjournment
The motion was approved unanimously
The meeting was adjourned at 4:34 PM

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